



CAREER POINT INFOSYSTEMS LIMITED

Our Company was incorporated as public limited company on March 31, 2000, under the Companies Act, 1956. We received certificate of commencement of business issued by Registrar of Companies, Jaipur on April 11, 2000. For details of change in the registered office of our Company, please see section titled 'History and Certain Corporate Matters' at page 134 of this Red Herring Prospectus.

Registered Office: 112B, Shakti Nagar, Kota - 324 009, Rajasthan, India. **Tel:** +91 744 2500492, 2500092; **Fax:** +91 744 2500892.

Corporate Office: CP Tower, Road No. 1, IPIA, Kota - 324 005, Rajasthan, India. **Tel:** +91 744 3040000; **Fax:** +91 744 3040000. **Website:** www.careerpointgroup.com

Company Secretary and Compliance Officer: Mr. Tarun Kumar Jain; **Email:** ipo@careerpointgroup.com

PROMOTERS OF OUR COMPANY: MR. PRAMOD MAHESHWARI, MR. OM PRAKASH MAHESHWARI AND MR. NAWAL KISHORE MAHESHWARI		
<p>PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH OF CAREER POINT INFOSYSTEMS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE), AGGREGATING UPTO RS. 1,150 MILLION ("THE ISSUE"). THE ISSUE INCLUDES A RESERVATION OF UPTO 65,000 EQUITY SHARES OF RS. 10 EACH FOR THE ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE "NET ISSUE". THE NET ISSUE SHALL CONSTITUTE [●]% OF THE FULLY DILUTED POST-ISSUE PAID-UP CAPITAL OF OUR COMPANY.</p> <p>PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE. THE FACE VALUE OF THE EQUITY SHARES IS RS. 10.</p> <p>THE FLOOR PRICE IS [●] TIMES OF THE FACE VALUE AND THE CAP PRICE IS [●] TIMES OF THE FACE VALUE. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ADVERTISED BY THE COMPANY AT LEAST TWO (2) WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE.</p> <p>ELIGIBLE EMPLOYEES, WHOSE BID AMOUNT DOES NOT EXCEED RS. 100,000 WILL BE GIVEN A DISCOUNT OF RS.15 PER EQUITY SHARE TO THE ISSUE PRICE ("ELIGIBLE EMPLOYEE DISCOUNT"). HOWEVER, THEY SHALL BID WITHIN THE PRICE BAND AND THEIR BID AMOUNT SHALL BE COMPUTED AND MUST BE DEPOSITED WITHOUT FACTORING IN THE ELIGIBLE EMPLOYEE DISCOUNT.</p> <p>In case of any revision in the Price Band, the Bidding Period shall be extended for three additional Working Days after such revision of the Price Band, subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the National Stock Exchange of India Limited (the "NSE") and the Bombay Stock Exchange Limited (the "BSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and the terminals of the Syndicate. Pursuant to Rule 19(2)(b) of the Securities Contract Regulation Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post Issue share capital, the Issue is being made through the Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"). Provided that, the Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only ("Anchor Investor Portion"). In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. In addition, in accordance with Rule 19(2)(b) of the SCRR, a minimum of two million securities are being offered to the public and the size of the Issue shall aggregate to at least Rs. 1,000 million. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Further, upto 65,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price.</p>		
RISKS IN RELATION TO FIRST ISSUE		
<p>This being the first public issue of the Equity Shares of the Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares is Rs.10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (as determined by our Company, in consultation with the Book Running Lead Managers, as stated under paragraph on 'Basis for Issue Price') should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.</p>		
GENERAL RISKS		
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" at page 13.</p>		
ISSUER'S ABSOLUTE RESPONSIBILITY		
<p>The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>		
LISTING ARRANGEMENT		
<p>The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the NSE and the BSE. Our Company has received in-principle approvals from the NSE and the BSE for the listing of the Equity Shares pursuant to letters dated April 23, 2010 and April 22, 2010, respectively. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.</p>		
IPO GRADING		
<p>This Issue has been graded by Credit Analysis & Research Limited ("CARE") and has been assigned the "CARE IPO Grade 3" indicating average fundamentals, through its letters dated August 25, 2010 and April 19, 2010, which is valid for a period of three months from the date of issue of the letter. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and an "IPO Grade 1" indicating poor fundamentals. For more information on IPO grading, please refer to the section "General Information" at page 53.</p>		
BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
		
		<p>LINK INTIME INDIA PRIVATE LIMITED C-13, Pannalal Silk Mills Compound, L.B.S. Marg Bhandup (West) Mumbai 400 078 India Tel: +91 22 2596 0320 Fax: +91 22 2596 0329 Website: www.linkintime.co.in Email: cpil.ipo@linkintime.co.in Contact Person: Mr. Sachin Achar SEBI Registration No.: INR000004058</p>
<p>CENTRUM CAPITAL LIMITED Centrum House, Vidya Nagari Marg, CST Road Kalina, Santacruz (East) Mumbai 400 098 India Tel: +91 22 4215 9000 Fax: +91 22 4215 9707 Website: www.centrum.co.in Email: careerpoint.ipo@centrum.co.in Investor Grievance Id: igmbd@centrum.co.in Contact Person: Mr. Gaurav Saravgi/Ms. Amandeep Sidhu SEBI Registration No.: INM000010445</p>	<p>JM FINANCIAL CONSULTANTS PRIVATE LIMITED 141, Maker Chambers III, Nariman Point, Mumbai- 400 021 India Tel: +91 22 6630 3030 Fax: +91 22 2204 7185 Email: cpil.ipo@jmfinancial.in Investor Grievance Id: grievance.ibd@jmfinancial.in Website: www.jmfinancial.in Contact Person: Ms. Lakshmi Lakshmanan SEBI Registration No. INM000010361</p>	
BID/ISSUE SCHEDULE		
BID/ISSUE OPENS ON : SEPTEMBER 16, 2010[#]		BID/ISSUE CLOSES ON : SEPTEMBER 21, 2010[#]

[#] Anchor Investor Bidding Date shall be one day prior to the Bid/ Issue Opening Date
^{##} The Bidding for QIBs shall close one day prior to the Bid/Issue Closing Date.

TABLE OF CONTENTS

SECTION I – GENERAL	2
DEFINITIONS AND ABBREVIATIONS	2
CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION	11
FORWARD-LOOKING STATEMENTS	12
SECTION II – RISK FACTORS	13
SECTION III – INTRODUCTION	39
SUMMARY OF BUSINESS	39
SUMMARY OF INDUSTRY	43
SUMMARY FINANCIAL INFORMATION	45
THE ISSUE	53
GENERAL INFORMATION	54
CAPITAL STRUCTURE	64
OBJECTS OF THE ISSUE	81
BASIS FOR ISSUE PRICE	88
STATEMENT OF TAX BENEFITS	91
SECTION IV – ABOUT THE COMPANY	104
INDUSTRY OVERVIEW	104
OUR BUSINESS	115
REGULATIONS AND POLICIES	127
HISTORY AND CERTAIN CORPORATE MATTERS	134
OUR MANAGEMENT	144
OUR PROMOTERS AND GROUP COMPANIES	160
DIVIDEND POLICY	179
SECTION V – FINANCIAL INFORMATION	180
FINANCIAL STATEMENTS	180
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	181
FINANCIAL INDEBTEDNESS	196
SECTION VI – LEGAL AND OTHER INFORMATION	198
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	198
GOVERNMENT AND OTHER APPROVALS	225
OTHER REGULATORY AND STATUTORY DISCLOSURES	228
SECTION VII – ISSUE INFORMATION	240
TERMS OF THE ISSUE	240
ISSUE STRUCTURE	243
ISSUE PROCEDURE	248
SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION	284
SECTION IX – OTHER INFORMATION	298
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	298
DECLARATION	300

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Red Herring Prospectus.

Company Related Terms

Term	Description
“Articles” or “Articles of Association” or “our Articles”	The articles of association of our Company, as amended, from time to time.
Associate company	Imperial Infin Private Limited.
Auditor	The statutory auditor of our Company, being M/s Sharp & Tannan, Chartered Accountants.
“Board” or “Board of Directors” or “our Board”	The board of directors of our Company or committees constituted by it from time to time.
“Company” or “CPIL” or “the Issuer”	Career Point Infosystems Limited, a public limited company incorporated under the Companies Act.
Corporate Office	The corporate office of our Company, presently situated at CP Tower, Road No. 1, IPIA, Kota – 324 005 Rajasthan, India.
Director(s)	The director(s) on our Board.
Group Companies and entities	The entities identified as our group companies and entities in the section titled “ <i>Our Promoters and Group Companies</i> ” at page 160.
“Memorandum” or “Memorandum of Association” or “our “Memorandum”	The memorandum of association of our Company, as amended from time to time.
Promoters	The promoters of our Company, being Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari.
Promoter Group	The individuals, companies or other entities specified as such in the section titled “ <i>Our Promoters and Group Companies</i> ” at page 160.
Registered Office	The registered office of our Company, presently situated at 112B, Shakti Nagar, Kota – 324 009, Rajasthan, India.
Subsidiaries	Career Point Edutech Limited and Career Point Infra Limited.
“We” or “Us” or “Our”	Our Company, and where the context requires, our Subsidiaries and Associate company, on a consolidated basis.

Issue Related Terms

Term	Description
“Allot” or “Allotment” or “Allotted”	The allotment of Equity Shares pursuant to this Issue.
Allottee	A successful Bidder to whom Allotment is made.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who shall Bid for an amount of at least Rs. 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus to the Anchor Investors, which will be decided by our Company in consultation with the BRLMs prior to the Bid/Issue Opening Date.
Anchor Investor Bidding Date	The date one day prior to the Bid/Issue Opening Date prior to or after which no Bids will be accepted from the Anchor Investors.
AI CAN/Anchor Investor Confirmation of Allocation Note	The note or advice or intimation of allocation of the Equity Shares sent to the Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Allocation Price, including any revisions thereof.
Anchor Investor Issue Price	The price at which Allotment will be made to Anchor Investors under the Anchor Investor Portion in terms of the Prospectus, which shall be higher than or equal to the Issue Price, but not higher than the Cap Price.
Anchor Investor Pay-in Date	In case of Anchor Investor Issue Price being higher than Anchor Investor Allocation Price, no later than two days after the Bid / Issue Closing Date.
Anchor Investor Portion	The portion of the Issue available for allocation to Anchor Investors on a

Term	Description
	discretionary basis at the Anchor Investor Allocation Price, in accordance with the SEBI Regulations, being upto 30% of the QIB Portion or upto [●] Equity Shares.
“ASBA” or “Application Supported by Blocked Amount”	Application (whether physical or electronic) used to make a Bid authorising the SCSB to block the Bid Amount in an ASBA Account as detailed in the section titled “ <i>Issue Procedure–Payment Mechanism for ASBA Bidders</i> ” at page 268.
ASBA Account	Account maintained by an ASBA Bidder with a SCSB which will be blocked by such SCSB to the extent of the appropriate Bid Amount.
ASBA Bidder	A prospective investor who intends to Bid through ASBA.
ASBA Form	The application form, whether physical or electronic, in terms of which an ASBA Bidder shall make a Bid pursuant to the terms of the Red Herring Prospectus.
“Bankers to the Issue” or “Escrow Collection Banks”	The banks which are clearing members and registered with the SEBI as bankers to the issue, in this case being Deutsche Bank AG and ICICI Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be allocated as described in the section titled “ <i>Issue Procedure–Basis of Allotment</i> ” at page 276.
Bid	An indication by a Bidder to make an offer to subscribe for Equity Shares in terms of the Red Herring Prospectus.
Bidder	A prospective investor in this Issue, and unless otherwise stated or implied, includes an ASBA Bidder.
Bid Amount	The highest Bid Price indicated in the Bid cum Application Form and in case of ASBA Bidders, the amount mentioned in the ASBA Form.
Bid cum Application Form	The form in terms of which the Bidder (other than an ASBA Bidder) makes a Bid in terms of this Red Herring Prospectus and which will be considered as the application for Allotment.
Bid Price	The prices indicated within the optional Bids in the Bid cum Application Form and the ASBA Form, as the case may be.
Bid/Issue Closing Date	Except in relation to Anchor Investors, the date after which the members of the Syndicate and SCSBs will not accept any Bids, which shall be notified in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations. However, the Bidding by QIBs (including QIBs bidding through ASBA) shall close one day prior to the closure of the Issue, provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bid/Issue Opening Date	Except in relation to Anchor Investors, the date on which the members of the Syndicate and SCSBs shall start accepting Bids, which shall be the date notified in an English national daily newspaper and a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI Regulations.
Bidding Centre	A centre for acceptance of the Bid cum Application Form.
Bidding Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date (inclusive of both days) and during which Bidders, other than Anchor Investors, can submit their Bids, inclusive of any revision thereof.
Book Building Process	The book building process as described in Schedule XI of the SEBI Regulations.
“Book Running Lead Managers” or “BRLMs”	Book running lead manager to this Issue, being Centrum Capital Limited and JM Financial Consultants Private Limited.
“CAN” or “Confirmation of Allotment Note”	Except in relation to the Anchor Investors, the note or advice or intimation of Allotment of the Equity Shares, sent to the each successful Bidder who have been or are to be Allotted Equity Shares after discovery of the Issue Price, including any revision thereof.
Cap Price	The higher end of the Price Band, in this case being Rs. [●], and any revisions thereof above which the Issue Price will not be finalised and above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list

Term	Description
	of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Cut-Off Price	Any price within the Price Band finalized by our Company in consultation with the Book Running Lead Managers, at which only Retail Individual Bidders and the Eligible Employees are entitled to Bid for Equity Shares of an amount not exceeding Rs 100,000.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended.
“Depository Participant” or “DP”	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which the Bankers to the Issue and the SCSBs transfer the funds from the Escrow Accounts and the ASBA Accounts, respectively, to the Public Issue Account, in terms of the Red Herring Prospectus.
“Designated Stock Exchange”	Bombay Stock Exchange Limited.
“Draft Red Herring Prospectus” or “DRHP”	The draft red herring prospectus dated February 24, 2010 filed with SEBI and issued by our Company in accordance with the SEBI Regulations, which did not contain, inter alia, complete particulars of the price at which the Equity Shares are being issued.
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid to the Equity Shares on the basis of the terms thereof.
Eligible Employee	A permanent and full-time employee, working in India or abroad of (i) our Company (ii) our Subsidiaries; and (iii) our material associate companies whose financial statements are consolidated with our Company’s financial statements as per Accounting Standard 21 or a Director of our Company, whether wholetime or part-time, but excludes our Promoters and Promoter Group, as on the date of the Red Herring Prospectus, and who continues to be in the employment of our Company until submission of the Bid cum Application Form/ASBA Form.
Eligible Employee Discount	Discount of Rs. 15 per Equity Share to the Issue Price offered to the Eligible Employees, where the Bid Amount does not exceed Rs. 100,000.
Employee Reservation Portion	The portion of the Issue, upto 65,000 Equity Shares, available for allocation to the Eligible Employees.
Equity Shares	The equity shares of our Company of face value of Rs. 10 each.
Escrow Account(s)	Account(s) opened for this Issue to which cheques or drafts of the Bid Amount are deposited by the Bidder (excluding ASBA Bidders).
Escrow Agreement	An agreement to be entered into among our Company, the Registrar, the Bankers to the Issue, the Book Running Lead Managers and the Syndicate Member for the collection of Bid Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Form.
Floor Price	The lower end of the Price Band in this case being Rs. [●], and any revisions thereof below which no Bids will be accepted.
IPO Grading Agency	Credit Analysis & Research Limited, the IPO grading agency appointed by our Company for grading this Issue.
Issue	The public issue of [●] Equity Shares for an amount aggregating upto Rs. 1,150 million.
Issue Price	The price at which Allotment will be made, as determined by our Company in consultation with the Book Running Lead Managers
Key Managerial Personnel	The personnel listed as key managerial personnel in the section titled “ <i>Our Management</i> ” at page 144.
Margin Amount	100% of the Bid Amount paid by the Bidders or blocked in the ASBA Account, at the time of submission of the Bid cum Application Form or the ASBA Form, as applicable.
Mutual Funds	Mutual Funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares, available for allocation to

Term	Description
	Mutual Funds only, out of the Net QIB Portion.
Net Issue	The Issue less the Employee Reservation Portion.
Net Proceeds	Net proceeds of the Issue less the Issue related expenses.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares allocated to the Anchor Investors, being a minimum of [●] Equity Shares, to be allocated to QIBs on a proportionate basis.
NIF	National Investment Fund set up vide resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Non-Institutional Bidders	All Bidders (including Sub-Accounts which are foreign corporates or foreign individuals and ASBA Bidders) those are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than Rs. 100,000.
Non-Institutional Portion	The portion of the Net Issue being not less than 10% of the Net Issue consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders.
Payment through national electronic transfer of funds	Payment through NECS, direct credit or RTGS, as applicable.
Price Band	The price band between the Floor Price and Cap Price, including any revision thereof.
Pricing Date	The date on which the Issue Price is finalised by our Company in consultation with the Book Running Lead Managers.
Prospectus	The prospectus of our Company to be filed with the RoC for this Issue post the Pricing Date in accordance with sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
Public Issue Account	The bank accounts opened with the Bankers to the Issue by our Company under section 73 of the Companies Act to receive money from the Escrow Accounts on the Designated Date and where the funds shall be transferred by the SCSBs from the ASBA Accounts.
“QIBs” or “Qualified Institutional Buyers”	Mutual Funds, VCFs, FVCIs, FIIs and Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals) registered with SEBI, Public financial institutions as defined in Section 4A of the Companies Act, scheduled commercial banks, multilateral and bilateral development financial institution, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of Rs. 250 million, pension funds with a minimum corpus of Rs. 250 million, the NIF and insurance funds set-up and managed by army, navy or air force of the Union of India, eligible for bidding in this Issue.
QIB Portion	The portion of the Net Issue being atleast 60% of the Net Issue, consisting of a minimum [●] Equity Shares to be Allotted to QIBs, including the Anchor Investor Portion.
“Red Herring Prospectus” or “RHP”	This red herring prospectus to be issued by our Company in accordance with sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
Refund Account	The account opened with the Refund Banker, from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made.
Refund Banker	The Banker to the Issue with whom the Refund Account will be opened, in this case being ICICI Bank Limited.
“Registrar to the Issue” or “Registrar”	Link Intime India Private Limited.
Retail Individual Bidders	Bidders, other than Eligible Employees Bidding under the Eligible Employee Portion, who have Bid for an amount less than or equal to Rs. 100,000.
Retail Portion	The portion of the Net Issue being not less than 30% of the Net Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders on a proportionate basis.
Revision Form	The form used by the Bidders to modify the quantity of their Bids or their Bid Price in any of their Bid cum Application Form, ASBA Form (if submitted in physical form) or any previous Revision Form, as the case may be .
“Self Certified Syndicate Banks” or “SCSBs”	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offers services in relation to ASBA, including blocking of ASBA accounts in accordance with SEBI Regulations and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.

Term	Description
Stock Exchanges	The NSE and the BSE.
Syndicate Agreement	The agreement to be entered into among our Company and members of the Syndicate, in relation to the collection of Bids (excluding Bids from the ASBA Bidders).
Syndicate Member	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case being JM Financial Services Private Limited.
“Syndicate” or “members of the Syndicate”	The Book Running Lead Managers and the Syndicate Member.
Transaction Registration Slip or TRS	The slip or document issued by any of the members of the Syndicate, or the SCSBs, as the case may be, upon demand to a Bidder as proof of registration of the Bid.
Underwriters	The Book Running Lead Managers and the Syndicate Member.
Underwriting Agreement	The agreement to be entered into between the Underwriters, the Registrar and our Company on or immediately after the Pricing Date.
Working Days	All days except Sunday and any public holiday, except during the Bidding Period where a working day means all days other than a Saturday, Sunday or a public holiday on which banks in Mumbai are open for business.

Conventional/General Terms, Abbreviations and References to Other Business Entities

Abbreviation	Full Form
A/c	Account.
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
Assessment Year	The period of twelve months commencing from first day of April every year.
BSE	Bombay Stock Exchange Limited.
CDSL	Central Depository Services (India) Limited.
CENVAT	Central Value Added Tax.
Centrum	Centrum Capital Limited.
CEO	Chief Executive Officer.
CESTAT	Custom Excise and Service Tax Appellate Tribunal.
CFO	Chief Financial Officer.
CIN	Corporate identification number.
Companies Act	The Companies Act, 1956, as amended.
Demographic Details	The demographic details of the Bidders, including address, Bidder's bank account details, MICR Code, and occupation derived by the registrar to the issue from the PAN, DP ID, and Client ID mentioned in the Bid cum Application Form, or the ASBA Form, as the case may be.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended.
DIN	Director's identification number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI.
DP ID	Depository Participant's Identity.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
EGM	Extraordinary general meeting.
EPS	Earnings per share i.e., profit after tax for a Fiscal/period divided by the weighted average number of equity shares/potential equity shares during that Fiscal/period.
ESI	Employee's state insurance
FCNR Account	Foreign currency non-resident account.
FDI	Foreign direct investment, as understood under applicable Indian regulations.
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations framed thereunder, as amended.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto.

Abbreviation	Full Form
FII	Foreign Institutional Investor, as defined in and registered under the FII Regulations.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, GoI.
FTAMPL	Franklin Templeton Asset Management (India) Private Limited in its capacity as portfolio manager of Franklin Templeton Private Equity Strategy.
FTPES	Franklin Templeton Private Equity Strategy – A/c PMS
FVCI	Foreign Venture Capital Investor as defined in and registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
“Fiscal” or “Financial Year” or “FY”	A period of twelve months ended March 31 of that particular year, unless otherwise stated.
GIR Number	General index registry number.
“GoI” or “Government of India”	Government of India.
G-Sec	Government security.
HUF	Hindu undivided family.
IRR	Internal rate of return.
Indian GAAP	Generally accepted accounting principles in India.
IFRS	International financial reporting standards.
IPO	Initial public offering.
IRDA	The Insurance Regulatory and Development Authority constituted under the Insurance Regulatory and Development Authority Act, 1999, as amended.
IT	Information technology.
IT Act / Income Tax Act	The Income Tax Act, 1961, as amended.
IT Department	Income tax department.
Ltd.	Limited.
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
MICR	Magnetic ink character recognition.
N.A.	Not applicable.
NAV	Net Asset Value being paid up equity share capital plus free reserves(excluding reserves created out of revaluation, preference share capital and share application money) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of “profit and loss account”, divided by number of issued equity shares outstanding at the end of the Fiscal.
NECS	National electronic clearing service.
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.
NEFT	National electronic fund transfer service.
NRE Account	Non-resident external account.
“Non Residents” or “NRs”	Persons resident outside India, as defined under FEMA, including Eligible NRIs and FIIs.
NRO Account	Non-resident ordinary account.
“Non Resident Indian” or “NRI”	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
“Overseas Corporate Body” or “OCB”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.

Abbreviation	Full Form
p.a.	Per annum.
PAN	Permanent Account Number allotted under the IT Act.
P/E Ratio	Price/earnings ratio.
Pvt.	Private.
RBI	Reserve Bank of India.
Regulation S	Regulation S under the Securities Act.
RoC	The Registrar of Companies, Jaipur, Rajasthan.
RoNW	Return on Net Worth.
“Rs.” or “Rupees”	Indian Rupees.
RTGS	Real time gross settlement.
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Securities Act	The U.S. Securities Act of 1933, as amended.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as amended from time to time.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
“U.S.” or “US”	The United States of America, including its territories and possessions, any state of the United States of America and the District of Columbia.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture Capital Funds as defined in and registered with SEBI under the VCF Regulations.
VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended.

Industry/ Project Related Terms, Definitions and Abbreviations

Abbreviation	Full Form
Academic Session/ Academic Year	Commences in the month of April and ends in the month of March next year
AICTE	All India Council for Technical Education
AIEEE	All India Engineering Entrance Examination
AIPMT	All India Pre-Medical/Pre-Dental Test
B. Tech.	Bachelor of Technology
BBA	Bachelor in Business Administration
BCI	Bar Council of India
CABE	Central Advisory Board of Education
CBSE	Central Board of Secondary Education
Company Operated Training Centres	Such training centres as are operated directly by our Company
CPT	Common Proficiency Test
ECAMS	Education Consultancy and Management Services
EFA	Education For All
Franchisee Centres	Such training centres which are operated and managed by franchisees pursuant to the “Education Centre and Affiliate Agreement”, in accordance with the terms and conditions mentioned therein
GDP	Gross Domestic Product at factor cost
GER	Gross Enrollment ratio
Higher Education	Education commencing post completion of senior secondary school examination or equivalent
HoDs	Head of Departments

Abbreviation	Full Form
ICAI	Institute of Chartered Accountants of India
ICSE	Indian Council of Secondary Education
ICT	Information and Communication Technology
IIIT	Indian Institute of Information & Technology
IIM	Indian Institute of Management
IIT	Indian Institute of Technology
IIT-JEE	Indian Institute of Technology – Joint Entrance Examination conducted by IIT every year for the admission to its B.Tech, and other courses offered at all the various IITs, Institute of Technology Varanasi and Indian School of Mines Dhanbad
ISC	Indian School Certificate Examinations
ISM	Indian School of Mines
IT BHU	Institute of Technology, Banaras Hindu University.
K-12	Kindergarten to Class 12 – designation for the sum of primary and secondary education.
KVPY	Kishore Vaigyanik Protsahan Yojana is a program administered by Indian Institute of Science to encourage students of Basic Sciences, Engineering and Medicine to take up research careers in these areas
LAN	Local Area Network
M. Phil	Master of Philosophy
M. Sc	Master of Science
M. Tech.	Master of Technology
MBA	Masters in Business Administration.
MBBS	Bachelor of Medicine and Bachelor of Science
MCA	Masters in Computer Applications
MCI	Medical Council of India
MDM	Mid Day Meal Scheme
MHRD	Ministry of Human Resource Development.
Mn	Millions
MOU	Memorandum of Understanding
NAAC	National Assessment and Accreditation Council
NIT	National Institute of Technology
NKN	National Knowledge Network
NLM	National Literacy Mission
NTSE	National Talent Search Examination is a flagship activity of National Council of Education Research and Training to identify talented students and nurture their talents in the fields like Sciences, Social Science, Engineering, Medical, Medicine, Management and Law
OBC	Other Backward Classes
PGDM	Post Graduate Diploma in Management
Ph. D	Doctor of Philosophy
PPP	Public Private Partnership
Research and Development Cell	Cell consisting of certain members of our faculty, responsible for development of course material and content repository
SC	Scheduled Castes
Science Olympiad	An academic and scholastic aptitude competition encouraging learning in science, environment and mathematics
SLEEE	State Level Engineering Entrance Examination
SSA	Sarva Shiksha Abhiyaan
ST	Scheduled Tribes
UGC	University Grants Commission
UK	United Kingdom
VPN	Virtual Private Network
VSAT	Very Small Aperture Terminal
WAN	Wireless Area Network

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder or such other applicable laws as amended from time to time.

Notwithstanding the foregoing, terms in sections titled “*Main Provisions of the Articles of Association*”, “*Statement of Tax Benefits*” and “*Financial Information*” at pages 284, 91 and 180, respectively, have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Currency of Presentation

All references to “Rupees” or “Rs” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

Financial Data

Unless stated otherwise the financial data in this Red Herring Prospectus is derived from our restated consolidated financial statements prepared in accordance with Indian GAAP and the SEBI Regulations, which are included in this Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31 of the next year. So all references to a particular fiscal year are to the twelve-month period ended on March 31 of that year.

All the numbers in the document, have been presented in million or in whole numbers where the numbers have been too small to present in millions.

There are significant differences between Indian GAAP, IFRS and US GAAP. We have not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

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

Market and Industry Data

Market and industry data used in this Red Herring Prospectus has generally been obtained or derived from industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been verified. Similarly, we believe that the internal company reports are reliable however, they have not been verified by any independent sources.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the teaching industry in India and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Red Herring 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”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ from those contemplated by the relevant statement.

Important factors that could cause actual results to differ from our expectations include, but are not limited to, the following:

- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to increase student enrollments, course fees and our course offerings;
- the performance of the educational services sector and the availability of financing for this sector in India;
- our ability to respond to technological changes;
- the expected increase in expenditures on education in India;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- potential mergers, acquisitions or restructurings;
- general, political, social and economic conditions in India;
- our ability to manage our growth effectively;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to compete effectively, particularly in new markets and businesses;
- our dependence on key personnel;
- conflicts of interest with affiliated companies and other related parties;
- the outcome of legal or regulatory proceedings that we are or might become involved in;
- contingent liabilities, environmental problems and uninsured losses;
- government approvals;
- changes in government policies and regulatory actions that apply to or affect our business; and
- developments affecting the Indian economy.

For further discussion of factors that could cause our actual results to differ, see sections titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion of Financial Condition and Results of Operations*” at pages 13, 115 and 181, respectively. By their nature, certain 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 we nor any of the Underwriters 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, we and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.


SECTION II – RISK FACTORS


An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information contained in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. The following risk factors are determined on the basis of their materiality. In determining the materiality of risk factors, we have considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations. The market prices of the Equity Shares could decline due to such risks and you may lose all or part of your investment.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial statements of the Company as of and for the Financial Year 2006, 2007, 2008, 2009 and 2010, in each case prepared in accordance with Indian GAAP, including the schedules, annexure and notes thereto.

Internal risk factors

1.  **The trademark “” is subject to certain litigations. Any restriction on usage of this trademark could adversely affect our business.**

We use the trademark “” and invest our resources in building the brand. Mr. Pramod Maheshwari,

our Promoter is the registered owner of the “” trademark under the Trademarks Act of 1999. Our Company has the license to use the “Career Point” trademark, pursuant to a license agreement dated February 4, 2010.



However, the trademark “” is subject to following litigations:

- (a) Our Company and Mr. Pramod Maheshwari have filed a plaint before the District Court at Jaipur against Career Point Patiala, Punjab (“**Defendant**”) to restrain them from using the trademark “Career Point.” The Defendant has registered the trademark “Career Point” under class 16 of the Trademarks Act, 1999. The matter is currently pending before District Court at Jaipur.
- (b) Our Company and Mr. Pramod Maheshwari have filed a plaint before the District Court at Jaipur against Rishabhdev Education and Research Institute, Raipur, Chattisgarh (“**Defendant**”) to restrain them from using the trademark “Career Point”. The Defendant has registered the trademark under the Trademarks Act, 1999. The Court has granted a temporary injunction, restraining the Defendant from using the trademark “Career Point”. The Defendant has filed an appeal before the High Court of Rajasthan, at Jaipur bench challenging the order passed by the District Court. Both the matters are currently pending.


- (c) Mr. Pramod Maheshwari has filed an application before the Intellectual Property Appellate Board, Chennai against Rishabhdev Education and Research Institute, Raipur, Chattisgarh for removal of the trademark “Career Point” from the Register of Trade Marks. The matter is currently pending before the Intellectual Property Appellate Board.
- (d) Mr. Pramod Maheshwari and our Company (“**Plaintiffs**”) have filed a notice of opposition bearing application number 1635801 under Section 21(1) and Rule 47(1) of the Trade Marks Act, 1999 before the Registrar of Trademarks, Chennai for opposing the registration of a trademark sought by Career Point Consultants Private Limited and advertised in the Trade Mark Journal dated June 16, 2009 under class 35. The Plaintiffs have opposed the granting of this trademark as the mark “CAREER POINT” is exclusively associated with the opponent and it is the opponent’s property; hence, by seeking to register a deceptively similar trademark, the applicant is invading the opponent’s property rights.


In case an adverse order is passed against us, we may not be able to use the trademark “Career Point” at all or may be subject to certain restrictions. Such restrictions or prohibition could significantly affect our business, visibility, reputation and result of operation. For further discussions, see section titled “*Outstanding Litigation and Material Developments*” at page 198.




2. ***The trademark “ ” has been licensed to us by our Promoter. Further, we are using trademark “ ” which is owned by our Promoter, without any contractual agreement. Any hindrance in usage of these trademarks by our Promoter will have significant impact on our business.***



The trademark “” is licensed by Mr. Pramod Maheshwari to our Company by a trademark license agreement dated February 4, 2010, granting us an exclusive, irrevocable, renewable right to use the trademark for a term of 11 years. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of the trademark in the event that we are unable to renew the license agreement. Further, renewal of the agreements may be on terms and conditions that are unfavorable to us, as a result we may suffer a disruption in our operations which could have an adverse effect on our business, financial conditions and results of operations.

Further, the “” trademark belongs to Mr. Pramod Maheshwari and we make use of it through an informal understanding. If he at any time refuses or objects to the continuing usage of the trademark, we

will not be able to make use of the “” trademark in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with it, which can in turn affect our business and financial position.

3. ***There are 74 legal and other proceedings involving us and 22 legal and other proceedings involving our Promoters for claims, to the extent quantifiable, amounting to Rs. 40.32 million and Rs. 6.91 million, respectively, which if decided against us or our Promoters, could have an adverse effect on our reputation, business prospects and results of operations.***

Our Company and our Promoters are involved in certain legal proceedings and claims. These legal proceedings are in the nature of civil cases, tax cases, consumer and criminal complaints pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by courts or tribunals, we may need to make provisions in our financial statements, which could have an impact on the profitability of our Company. We can give

no assurance that these legal proceedings will be decided in our favour. Any adverse decision may have a significant effect on our business, prospects, financial condition and results of operations. The summary of the outstanding litigations, are provided below:

Litigation filed against

<i>(in Rs.)</i>			
Name of entity	Civil Case	Criminal Case	Amount involved*
Company	41	Nil	8,566,737
Promoter Directors			
Mr. Pramod Maheshwari	5	Nil	5,177,562
Mr. Om Prakash Maheshwari	2	Nil	-
Mr. Nawal Kishore Maheshwari	4	Nil	495,895
Subsidiaries	Nil	Nil	-
Associates	Nil	Nil	-
Group Companies and entities			
Gopi Bai Foundation Trust	2	Nil	-
Sankalp Foundation	1	Nil	-

* Wherever quantifiable.

Litigations filed by

<i>(in Rs.)</i>			
Name of entity	Civil Case	Criminal Case	Amount involved*
Company [#]	10	23	31,760,734
Promoter Directors			
Mr. Pramod Maheshwari [#]	7	1	1,030,500
Mr. Om Prakash Maheshwari	Nil	3	211,000
Mr. Nawal Kishore Maheshwari	Nil	Nil	-
Subsidiaries	Nil	Nil	-
Associates	Nil	Nil	-
Group Companies and entities			
Maheshwari Brothers	Nil	1	500,000

* Wherever quantifiable.

[#] Three civil cases which have been filed jointly by our Company and Mr. Pramod Maheshwari are included in both the categories.

For further details in this regard, see section titled “*Outstanding Litigation and Material Developments*” at page 198.

4. *Poor performance of our students may cause a loss to our Company and our business.*

We tutor students for various competitive entrance examinations for admission into various professional colleges. However, the individual performance in a particular competitive entrance examination determines the rank and the professional college or institute, the student gets admission into. In addition to the tutoring provided by us, individual performance also depends on various personal factors including personal merit, ability to perform under pressure and mental state. The performance of our students is critical for our business. If our students do not perform well in the competitive entrance examinations despite putting in same efforts and resources, our enrollments and therefore our revenues could be adversely affected.

Following is the tabular representation of the number of successful students in past three years who were enrolled with us:

Sl. No.	Examinations held	Total selection (Classroom Training and Distance Learning Programme)	Classroom course Enrollments	Distance Learning Programme	Total Enrollments	% of Total selection
1	Year 2010					

1.1	IIT – JEE	738	5,560	2,253	7,813	9.44
1.2	AIEEE	10,908	20,640	2,005	22,645	48.16
1.3	Pre-Medical	34*	908	432	1,340	2.53
2	Year 2009					
2.1	IIT – JEE	710	4,296	2,487	6,783	10.46
2.2	AIEEE	5622	16,730	2,565	19,295	29.13
2.3	Pre-Medical	119	1,141	491	1,632	7.29
3	Year 2008					
3.1	IIT – JEE	827	5,164	2,372	7,536	10.97
3.2	AIEEE	5037	15,628	2,653	18,281	27.55
3.3	Pre-Medical	357	1,643	556	2,199	16.23

* Excludes the results of the state level medical examinations

In the past, we have also observed that certain students not performing well in the competitive entrance examinations tend to file complaints against us alleging deficiency in our services, therefore, claiming refund of fees paid by them. There were two cases filed against us, out of which one is still pending. Given below are the details of such cases:

(a) Mr. Ramesh Chandra Pandey has filed a consumer complaint against the Company bearing case number 265/06 before the District Consumer Redressal Forum, Allahabad in 2006 and presently pending. For further details, see section titled, “*Outstanding Litigation and Material Developments*” at page 198.

(b) Further, Mr. Abhishek Sharma had filed a suit against us on January 6, 2004 before District Consumer Forum, Jaipur. The suit was disposed of on February 8, 2008 and our Company was asked to pay Rs. 12,000 plus interest.

Except as mentioned above, currently we do not have any cases pending or decided against us in the past in relation to non-performance of students in competitive entrance examinations. However, we cannot assure you that such claims will not arise in future. Further, if these claims are maintained by the Courts or other appropriate forums, our revenues could be adversely affected.

Further, the satisfaction of the students and quality of our services in terms of teaching, providing study materials, counseling, administration of classes benchmarks our service standards. We believe that before enrollment with any tutorial service provider, the students consult their seniors which may comprise of currently registered students or our alumni. Any kind of student dissatisfaction in relation to any of our services, facilities or methods may cause an opinion shift regarding us among students which may adversely affect our business and profitability.

5. ***The income tax authorities have carried out search and seizure operations in the premises of our Company and the residential premises of our Promoters and Mr. Shailendra Maheshwari. During these operations one of our Promoters, Mr. Om Prakash Maheshwari, inter alia, accepted unaccounted income of our Company, the Promoters and their relatives amounting to Rs. 60 million (approx.). These operations have resulted in notices being issued by the income tax authorities, service tax authorities and the RoC seeking certain clarifications and information from us. Any adverse outcome from such proceedings, may adversely affect our business, financial condition and results of operation.***

The authorities under the Income Tax Act, 1961 (“IT Act”) conducted a search and seizure operation (‘operation’) at the Registered Office, Corporate Office, residence of our Promoters and our key managerial personnel Mr. Shailendra Maheshwari between December 4, 2009 and December 5, 2009. During the operation, certain books, files, papers, jewellery and cash was impounded by the authorities which as per the income tax authorities, were not verifiable due to non-availability of proper books of accounts.

Statements of the Promoters, their relatives including Ms. Shilpa Maheshwari, Ms. Neelima Maheshwari, Ms. Rekha Maheshwari and certain employees of our Company were recorded by the authorities under section 132(4) of the IT Act, as a part of the operation. One of our Promoters, Mr. Om Prakash Maheshwari made certain disclosures regarding the unaccounted income; disclosures regarding the property, business and bank accounts of our Company, of himself and his family which were recorded during seizure. Among other things on being asked, he accepted unaccounted income of our Company, the Promoters and their relatives of approx. Rs. 60 million.

The income tax authorities have also issued a show cause notice dated April 21, 2010 to Mr. Om Prakash Maheshwari on behalf of our Company seeking explanations for not initiating actions under sections 277 and 277A of the IT Act on the grounds of falsification of books of accounts and also enabling other persons to evade tax.

Upon becoming aware of the operation, we have also received notice from the service tax department dated December 9, 2009 in relation to the unaccounted money/property/ fixed assets found during the operation. The said notice has been replied by our Company vide letter dated December 29, 2009. We haven't heard anything from the service tax department, post our filing the reply.

Further, we are also in receipt of the letter from the RoC dated June 11, 2010, calling upon our Company and all our Directors to disclose full facts and circumstances that led to non-maintenance of proper books of accounts. We have also been asked to explain, based on the evidences provided by the income tax authorities, that the balance sheet and profit and loss account of the Company reflects the true and fair view. The RoC has also asked us to show cause why legal action under section 211 read with section 628 of the Companies Act shall not be initiated against our Company. Section 211 of the Companies Act provides for form and contents of balance sheets and it also provides that balance sheets should provide true and fair view about a company. Section 628 of the Companies Act provides for penalty in case of false statements in balance sheet, prospectus and other documents. RoC has vide the said letter also requested Sharp & Tannan, Chartered Accountants, the statutory auditors of our Company, to provide their comments in relation to the operation including accounting irregularities observed and to show cause why an action for not qualifying their report should not be initiated against them.

While the outcome of the operation by the income tax authorities and inquiries by service tax department and RoC is still pending, any adverse finding by such authorities would negatively affect our business, our financial condition and results of operation.

For further details, please see the section titled “*Outstanding Litigation and Material Developments*” on page 198.

6. *We have not entered into definitive arrangements for the utilization of funds raised in this Issue. Delay in executing the same will have an impact on utilization of Net Proceeds.*

We have not entered into any definitive arrangements for the utilization of funds being raised pursuant to the Issue. In absence of such arrangements, the deployment of funds raised through the Issue, as specified in the section titled “Objects of the Issue”, is dependent on the execution of such arrangements with third parties.

We may obtain fresh quotations at the time of placement of orders for the equipment. The actual cost may thus depend on the prices finally settled with such suppliers and to that extent may vary from the estimates. Further, our estimated completion dates may vary based on the time and cost, or tax or duty implications, involved in actual procurement. In the event that such arrangements are not executed in a timely manner or on acceptable terms, our ability to use the Net Proceeds may be materially and adversely affected.

7. *The sector in which we operate is unregulated till date but in light of the increasing number of institutions, growing market and negative publicity or otherwise, the Government may introduce a regulatory framework. Any such Government regulation may adversely affect our operating revenues.*

We are not in position to predict whether any legislation will be passed by the Government or signed into law. But in light of the adverse publicity, media coverage and increasing market for private education centres and tutorials, the Government may introduce a law in order to regulate us. A regulation or legislation providing mandatory guidelines regarding functioning, operation, opening of centres, enrollment of students and chargeable fee may be introduced. Such guidelines would affect us in the following manner:

- (a) *Functioning of centres:* We may be subjected to certain standards for functioning of our centres which may impose requirements like minimum area for classrooms, basic infrastructure requirements, non-operation of centres during school timings and inclusion of additional facilities like medical aid, cafeteria, recreation facility etc. In such circumstances, we may have to either relocate our centres or we may have to add these facilities by incurring additional cost. These factors may reduce our ability to operate training centre at a place of our choice and may adversely affect our revenues.
- (b) *Enrollment of students:* We may be subjected to restrictions in terms of student enrollments per class. Though we believe we maintain a healthy student teacher classroom ratio, any further decline in number of enrollments per classroom would affect our ability to further enroll students, forcing us to add additional classrooms and faculty to adhere to such requirements. Addition of classrooms and faculty may force us to incur further expenses which could adversely affect our revenues.
- (c) *Fees to be collected:* We may be subjected to restrictions on the fees to be charged from the students. Though we believe we charge reasonable fees, any such regulation may reduce our ability to demand higher fees from our students, even if we believe it's a necessity for our business.

Such restriction may adversely affect our growth and revenues.

Therefore, we believe such legislation would curtail the operating freedom of our Company and might adversely impact our business prospects.

8. ***We derive significant amount of revenues from our Company Operated Training Centre situated at Kota. Kota training centre has contributed 55.78% and 58.88% of our restated standalone total revenues for the year ended March 31, 2009 and March 31, 2010, respectively. Any event negatively affecting the tutoring industry in Kota could have a material adverse effect on our overall business and results of operations.***

We currently generate significant amount of our revenues from Company Operated Training Centre at Kota. In terms of the number of enrollments we have received 13,574 enrollments for the Kota centre compared to 9,249 enrollments at other Company Operated Training Centres for the year ending March 31, 2010. The Kota training centre contributed 55.78% and 58.88% of our restated standalone total revenues for the year ended March 31, 2009 and March 31, 2010, respectively.

We have recently witnessed an incident in relation to Gujjar agitation leading to civil unrest, involving disruption of rail and road routes to Kota, thereby adversely affecting the mobility of students to Kota. Any such events including slowdown or any economic or civil unrest in Kota or failure to perceive Kota as an appropriate destination for preparation of competitive entrance examinations could materially impact enrollments of prospective students for our Kota centre which may adversely affect our business and results of operations.

9. ***Our Registered Office is not owned by us. Some of the immovable properties in which we operate our offices or provide tutoring may have irregularities such as defective title, non-permitted usage, documents inadequately or not stamped or documents not duly registered, or agreements pending for renewal, as a result of which our operations may be impaired.***

Our Registered Office from which we also operate is not owned by us. The premises have been taken on lease from our Promoter, Mr Pramod Maheshwari for a period of 11 months beginning from January 1, 2010 for a consideration of Rs. 40,000 per month. If Mr. Pramod Maheshwari refuses to renew the agreement pursuant to which we occupy the premises or offers to renew such agreement on terms and conditions that are unfavourable to us, or at all, we may suffer a disruption in our business operations, which could adversely affect our business, financial condition and results of operations.

Certain of the immovable properties we lease or use under license arrangements may not have been constructed or developed in accordance with local planning and building laws and other statutory requirements. In addition, there may be certain irregularities in title with respect to some of our leased or licensed properties. Some of our properties/premises can be used only for a permitted usage as per the local laws and non-compliance thereof could adversely impact the continuance of our activity from such premises. Some of the agreements for such arrangement may not be adequately stamped or registered with the registering authority of appropriate jurisdiction. An instrument not duly stamped or insufficiently stamped shall not be admitted as evidence in any Indian court. Further, no document required to be registered shall affect any right over the immovable property unless it has been registered.

One of our properties at Jaipur is under dispute for payment of deficit stamp duty. Assistant Collector, Jaipur has passed an order against our Company to pay the deficit stamp duty of Rs. 879,920 and a penalty of Rs. 1,500. The matter is currently pending before High Court of Rajasthan at Jaipur bench. For further details of this case, please refer to section titled, “*Outstanding Litigation Material Developments*”, at page 198.

Further, lease deed dated May 15, 2010 for our Company Operated Training Centre at Shashtri Nagar, Udaipur is inadequately stamped and not registered. Similarly the lease deed for our Company Operated Training Centre situated at Parmeshwari Palace, Jodhpur and two lease deeds for our Company Operated Training Centre situated at Vidyanagar, Jaipur have expired on March 31, 2010. Also lease deed for our Company Operated Training Centre situated at Adarsh Nagar, Jaipur is not registered. Though there has been no action taken by the authorities, we cannot assure you that no action will be taken in future as well. In case if any action is taken by the authorities then it would adversely affect our cash flows and results of operations. Further, we are in the process of renewing the expired lease deed. However, if we fail to renew these lease deed, we may be forced to vacate from the existing premises, which may also adversely affect our results of operations.

10. *Certain of our Subsidiaries, Group Companies and entities and an Associate have incurred losses. Our Subsidiaries and Associate have incurred losses of Rs. 1.23 million and 0.09 million, respectively in Fiscal 2010 and certain of our Group Companies and other entities have incurred a loss of Rs. 3.63 million respectively for Fiscal 2009..*

Certain of our Subsidiaries, Group Companies and entities and Associate have incurred losses in the recent Financial Years. The following are the Subsidiaries and our Associate which have made losses in one or all of Financial Years 2008, 2009 and 2010:

(Rs. in million)

S. No.	Name of Subsidiaries	Fiscal 2010	Fiscal 2009	Fiscal 2008
1.	Career Point Edutech Limited	(0.81)	(0.15)	(0.10)
2.	Career Point Infra Limited	(0.42)	(0.38)	(0.27)

(Rs. in million)

S. No.	Name of our Associate company	Fiscal 2010	Fiscal 2009	Fiscal 2008
1.	Imperial Infin Private Limited	(0.09)	-	(0.03)

The following are the Group Companies and entities which have made losses in one or all of Financial Years 2007, 2008 and 2009:

(Rs. in million)

S. No.	Name of Group Companies and entities	Fiscal 2009	Fiscal 2008	Fiscal 2007
1.	Rubymerry Enterprises Private Limited	(0.65)	-	-
2.	Swastika Polyolefins Private Limited	(0.33)	(0.60)	(0.001)

3.	Maheshwari Agrobases Private Limited	(0.02)	(0.02)	-
4.	Career Point Publications Limited	(0.10)	(0.08)	(0.01)
5.	Gopi Bai Foundation Trust Kota (Raj.)	(2.29)	(0.85)	(0.25)
6.	Longway Business Solutions Private Limited	(0.24)	-	-

In the event the above mentioned Subsidiaries and our Associate company continue to incur losses, our Company's consolidated results of operations and financial condition may be adversely affected. For further details, please refer to the section titled "*History and Certain Corporate Matters*" and "*Our Promoters and Group Companies*" at pages 144 and 160. Further, none of our Subsidiaries and Group Companies and entities has negative networth.

11. *We have experienced negative cash flow in the past and may experience the same in future. The aggregate of negative cash flow for year ended March 31, 2010 from operating activities and investing activities is Rs. 443.11 million.*

We had negative cash flows from investing activities for prior years, as per our restated standalone financial statements. This has been primarily due to addition to fixed assets and purchase of investments of Rs. 495.83 million for year ending March 31, 2010. We have also added fixed assets and purchased investments amounting to Rs. 98.94 million and Rs. 6.30 million respectively for the year ending March 31, 2009. This is in addition to fixed assets and investments in Subsidiaries amounting to Rs. 51.87 million and Rs. 34.50 million respectively for period ending March 31, 2008 and addition of fixed assets and purchase of investments amounting to Rs. 37.32 million and Rs. 24.76 million respectively for the year ending March 31, 2007. In addition, we also had a negative cash flow from operating activities of Rs. 19.80 million and Rs. 1.33 million for years ending March 31, 2009 and March 31, 2010, respectively.

For further details see section titled "*Financial Statements – Annexure III*" at F - 7.

There can be no assurance that we will not experience periods of negative operating cash flow in the future. If the negative operating cash flow trend persists in future, our Company may not be able to generate sufficient amounts of cash flow to finance our Company's working capital and capital expenditure requirements which could have a material adverse effect on our business and results of operations.

12. *Our Registered Office is situated in a residential area and we have also received a notice from Municipal Corporation of Kota to submit list of buildings. Any action taken by such authority will adversely affect our business operations.*

Our registered office is presently located at 112B, Shakti Nagar, Kota – 324009, Rajasthan. The said premise is situated in a residential area and carrying on any commercial activity on the said premise is not permissible under Rajasthan municipal bye-laws. In the event our Company receives any notice from the concerned local municipal authority for stoppage of commercial activities on the premises, we may have to shift our Registered Office to some other premises. Such shifting of our Registered Office may result in disruption of our business operations, which could adversely affect our business, financial condition and results of operations.

Further, we have also received a notice dated February 3, 2010 from the office of Municipal Corporation, Kota (Rajasthan) to provide a list of Company's buildings/premises, pursuant to an order of the High Court of Rajasthan. For further details refer to section titled "*Outstanding Litigation and Material Developments*" at page 198.

13. *Our growth may place a strain on our resources that could adversely affect our systems, controls and operating efficiency.*

The growth that we have experienced in the past, as well as any future growth that we may experience, may place a significant strain on our resources like management, faculty, infrastructure facilities and administrative support. Future growth will also require continued improvement of our internal controls and

systems. If we are unable to manage our growth or successfully carry out our operations, we may experience operational inefficiencies that could increase our costs and adversely affect our profitability and results of operations.

14. *Strong competition in the tutorial market, especially in the sector of preparatory courses for competitive entrance examinations, could decrease our market share and compel us to reduce our tuition fee.*

Tutoring business for competitive entrance examinations is highly fragmented and competitive. We compete with various institutes that offer courses similar to ours like Bansal Classes, FIITJEE, Akash Institute, Resonance, Allen and Brilliant Tutorials. Some of our competitors may have greater brand recall, better financials and other resources than we have, which may enable them to compete against us more effectively for future enrollments. We may also face competition from new entrants.

We may not be able to compete successfully against current or future competitors and may face competitive pressures that could adversely affect our business and results of operations. These competitive factors may force us to reduce our tuition fees or increase our spending in order to retain or attract faculty members and students and to pursue new market opportunities which may have an adverse impact on our enrollments, revenues and profitability.

Further, due to shift in the teaching methods from traditional model to virtual model, use of technology for digitising the content and creation of virtual classrooms adds to the competition. Any newer technology can be disruptive for our Company's tutorial business and can increase competition in the market. In addition, free online content availability poses a threat to our Company which can have an adverse effect on our revenues and profitability.

15. *If we are unable to update and expand the content of our existing courses in a cost-effective manner or at all, our future growth may be impaired.*

In order to keep pace with the changing pattern of competitive entrance examinations, we have to continuously update and expand our existing courses. If we fail to update and expand our existing courses in a timely and cost-effective manner or at all or if such updates are not in line with the expectations of students, we may lose such existing or prospective students, which may adversely affect our business and results of operations.

Our Research and Development Cell updates the content in two phases viz. at the end of every academic session and during the academic session. Our Research and Development Cell at the end of every academic year analyses the latest examinations trends. Based on the analysis, the Research and Development Cell updates the illustrations forming part of theoretical knowledge, practice books forming part of our study material and the test papers. Further, during the academic session our Research and Development Cell continuously updates our existing content by introducing new supplements, periodical faculty training and by introducing mid-to-short term courses.

However, if we are unable to respond adequately to changes in examination requirements due to financial constraints, regulatory limitations or other factors, our ability to attract and retain students could be impaired and our financial results could suffer.

16. *We may face difficulties in introducing new courses and expanding our network, which may have a negative impact on our growth.*

Our business strategies include introducing new courses and expanding our network across India. Introducing new courses and expanding our network requires us to make additional investments in infrastructure, faculty, marketing and other resources. We may have limited experience with new course offerings and may need to modify our systems and strategy or enter into arrangements with other institutions to provide new courses effectively and profitably. Expanding our network poses unique

challenges like acquisition of premises, establishment of infrastructure across cities and maintain consistent standard of services through-out the network.

Therefore, the expected return on incremental investments, pursuant to expansion of our network and introducing new courses may not be in line with our past performances or such investments may not be profitable at all.

17. *Our growth strategies are subject to execution risks. If not implemented effectively, our business and financial performance will be adversely affected.*

The success of our business will depend greatly on our ability to effectively implement our growth strategies. Our growth strategies include expanding our course offerings, participation in formal education, use of technological platform to deliver our courses, expanding our own network, development and updation of our course contents and new product offerings in a cost effective and timely manner. Formal education sector is highly regulated sector and hence our participation in formal education sector is subject to inherent regulatory risks. The expansion of our courses and services in terms of the type of offerings and the geographic locations may not succeed due to competition, our failure to effectively market our new offerings and our failure to maintain quality and consistency of our services. In addition, we may fail to identify new cities with sufficient growth potential to expand our network, and we may fail to attract students or increase student enrollments or recruit, train and retain qualified faculty members for training centres. Failure in implementing any of our growth strategies effectively might have an adverse effect on our business and profitability.

18. *Our failure to obtain additional capital in future could adversely affect our ability to grow.*

We believe that cash flow from our current operations are adequate to fund our current operating and growth plans under implementation. However, we may need additional financing in order to fund our future growth, particularly if we introduce any course in a new vertical or if we intend to set up an additional infrastructure in order to expand our network. The amount, timing and terms of such additional financing will vary primarily depending on the timing and size of our new program offerings and the amount of cash flows generated from our operations. To the extent that we require additional financing in the future, such financing may not be available on terms acceptable to us or at all and, consequently, we may not be able to fully implement our growth strategy.

19. *If we are not able to attract students, our financial performance in the future would suffer.*

Building awareness of the courses we offer among potential students is critical to our ability to attract new students. In order to maintain and increase our revenues and profitability, we must continue to attract new students in a cost-effective manner. We use promotional tools such as advertising through print and electronic media, awareness seminars and internet advertising to promote our training centres and courses. Additionally, general reputation of our Company and referrals from current students, alumni and faculty members also act as a source for new enrollments. Some of the factors that could dilute the impact of effective advertising and marketing include:

- media strategies of our competitors;
- factors relating to costs of advertising and broad-based branding campaigns; and
- adverse publicity regarding us.

Though, we have not witnessed any such instances in the past, in the event such factors were to get triggered, we are not in a position to assess the impact of the above factors. However, we believe if such factors come into play, we may face dilution of our advertising and marketing strategies which may prevent successful enrollment and retention of students for our courses.

20. *The loss of any key member of our management team or faculty may impair our ability to operate effectively and may have an adverse effect on our business.*

Our success has depended, and will continue to depend, largely on the skills, efforts and motivation of our management, faculty and experts who generally have significant experience within our industry. Our success also depends in large part upon our ability to attract and retain highly qualified faculty, administrators and senior management. We attempt to retain our employees by adequately incentivizing them, offering them well defined career path and by constantly enhancing their skill sets to take up larger issues in the field of education sector. However, we face significant competition in attracting and retaining personnel who possess the skill sets that we seek. In addition, key personnel may leave us and subsequently compete against us. Our average monthly attrition rate of our faculty members during Financial Year 2010 was 3.38%. Though, we engage our faculty members on the basis of offer letters which provide for restrictions like confidentiality and non-compete, we cannot assure if we will be able to retain our faculty members based on such restrictions, or would be able to enforce such restrictions at all. The loss of one or more members of our key management team or our faculty could adversely affect our business.

21. *Our TechEdge Classes are exposed to technological challenges which may adversely affect our business prospects.*

Our dependence on delivery of lectures through TechEdge Classes requires us to maintain active voice communications between our main centre and place where our TechEdge Class is situated. Although we maintain back-up facilities and communications links, disruptions could result from, among other things, technical and electricity breakdowns, computer glitches and viruses and adverse weather conditions. Any significant failure of our equipment or systems, or any major disruption to basic infrastructure like power and telecommunications in the locations in which we operate, could impede our ability to provide tutoring services through technology enabled platforms, which may have a negative impact on our reputation and may cause us to lose enrollments thereby affecting our business revenues.

22. *Growth of our venture TechEdge Class depends on its acceptability from our students and any resistance to accept this technology may adversely affect our revenues.*

To expand our operations, we intend to provide tutoring services to students across the nation including remote towns through our TechEdge Class. TechEdge Class is based on VSAT/VPN technology. Since, this mode of education delivery is in its nascent stage, we might face resistance in acceptance of this technology enabled platform from students. In the event our students refuse to accept this education delivery platform, we may lose potential as well as existing students, which may adversely affect our revenues.

23. *Any decrease in the perceived or actual benefits derived from our courses, may adversely affect our enrollments.*

We offer preparatory courses to students who intend to appear in various competitive entrance examinations. Students after undergoing preparatory courses appear for such competitive entrance examinations. These competitive entrance examinations enable them to procure admission (based on merit) into specific college. Any decrease in the perceived or actual benefits of admissions into such colleges whether caused due to shift in orientation of students, availability of alternate career options, change in employment opportunities or for any other reason, will cause a decrease in the enrollments, as a result our revenues will suffer.

Recently, we have observed that students post completion of their secondary school examinations have been opting for commerce stream due to an upswing in the financial job market. Further, we have also observed an increase in the number of students opting for vocational courses, since these courses are immediate and effective source of employment. These trends are based on our internal analysis and we have not relied upon any report in this regard. However, if these trends come into play, it may result in decrease in the enrollments, as a result our overall revenues will suffer.

24. *Our study material and content focus receives substantial guidance from analysis of experts in our Research and Development Cell and any wrong analysis may lead to poor quality of service deliverables.*

Our Company has a separate Research and Development Cell which continuously analyses the examination trends for various competitive entrance examinations. The Research and Development Cell comprises of following faculty members:

- Mr. Shailendra Maheshwari – He holds a B.E. (Electronics & Communications) degree from University of Rajasthan. He has 13 years of experience in the teaching field. He regularly monitors and guides course content development activities of our Company.
- Mr. Rajneesh Goyal - He holds a B.E. (Production & Industrial) degree from University of Rajasthan. He has an overall experience of nine years in the field of education. Currently, he is overall in charge of the mathematics department and responsible for course content development and updation in mathematics.
- Mr. Kumar Saurabh – He holds B. Tech. degree from Ruhelkhand University and has seven years of experience in teaching and course content development and updation in physics.
- Mr. Arun Pathak – He holds B. Tech degree from IT BHU and has 10 years experience in evaluation and updation of course contents in physics.
- Mr. Rajesh Agarwal – He holds M.Sc. degree from Allahabad University and has 13 years of experience in course content development in chemistry.
- Dr. Amit Gupta - He holds M.B.B.S. degree from University of Mumbai and has 10 years of experience in course content development in biology.

In addition to the above, we offer our course content to academicians and experienced professors for their independent review. Post circulation of such course content, we request for our students' feedbacks on our course contents. Such feedbacks is then analysed and compared by respective HoDs with our standard procedures for content updation.

In order to keep our study materials and course content updated, we rely on these experts and student feedbacks to determine the focus of our course and draft the study materials. Inapt analysis by our experts in Research and Development Cell or independent academicians and experienced professors, loss of any key expert from this team or incorrect feedbacks from our students, may substantially affect quality of our study material and course focus thereby adversely affecting our revenues.

25. *Inability to integrate our different centres, may experience operational inefficiencies.*

Integrating acquired operations into our training centres involves significant risks and uncertainties, including:

- Inability to maintain uniform standards, controls, policies and procedures;
- Distraction of management's attention from normal business operations during the integration process;
- Expenses associated with the integration efforts; and
- Unidentified issues not discovered in our due diligence process, including legal contingencies.

If we are not able to integrate our different centres and institutes functioning all across the country, we may experience operational inefficiencies.

26. *Our business is subject to continuous training and development of faculty. Any failure to provide such development and training related services, may have an adverse impact on our business.*

Our Company also has an in-house faculty training and development cell which helps us to improve the quality and delivery standards of our faculty. Our faculty development and training cell comprises of senior faculty members who undertake training and development courses on a regular basis to improve the training skills of our faculty. Any problems in the faculty development and training program may adversely affect the quality of our teaching services, leading to loss of business.

27. *The study material prepared by us may be plagiarised and this may have an adverse effect on our business.*

The study material provided to our students is prepared after resource consuming analysis and research in our Research and Development Cell. This material is freely available to our students. But we neither have any system or mechanism to track the sale of such study materials in open markets nor can we effectively restrict duplication of the material. Hence the study material may be easily availed, copied and distributed by outsiders. This may adversely affect our business and profitability.

28. *Recently, Kota has been removed from the list of locations for IIT-JEE which may have a negative impact on the inflow of students from outside Kota for preparation of IIT-JEE.*

Kota has been recently removed from the list of locations for conducting IIT-JEE. From various news reports we believe that the IITs have cited "sensitive security issues" and cancelled all the test centres in Kota for IIT-JEE. However, the IITs have not elaborated what constituted "sensitive security issues". We cannot assure you that Kota will be re-considered as list of locations for conducting IIT-JEE. Further, we can also not assure you that we will be able to effectively challenge, or at all, the "sensitive security issues" cited by IITs. Further, in the event Kota is not re-considered as a location for IIT-JEE, it may have a negative impact on inflow of students from outside Kota for preparation of IIT JEE. The Kota training centre contributed 55.78% and 58.88% of our restated standalone total revenues for the year ended March 31, 2009 and March 31, 2010, respectively. Any decrease in the inflow of students from outside Kota may adversely affect our business, financial condition and results of operations.

29. *We do not own all the premises we operate from and hence any problem relating to such premises, may adversely affect our business.*

We do not own all the premises from where we operate. Majority of our premises from where we carry our operations are rented. Hence any problem which we may face in future with our landlords in relation to the tenancy agreement would impair the growth of our business and network. Although we at all times would strive for an amicable solution, any dispute faced in this regard may adversely affect our profits and revenues.

Besides, the lease agreements for our premises are renewable on mutual consent. If any of the owners of these premises do not renew the agreements under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have an adverse effect on our business, financial conditions and results of operations.

30. *We may face competition from our disassociated faculty members.*

Although our offer letters carry a non-compete clause which restricts our faculty members from entering into competing activities for pre-defined period of 12 months, post termination of the engagement, there always exists a probability that they may enter into competing business. Though, in the past we have not attempted to enforce non-compete related obligations upon our disassociated faculty members, we cannot assure you whether such non-compete restriction would be enforced by the courts in India. Therefore, a competitive business establishment opened by former faculty members may hamper the business or decrease our market share.


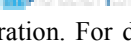
31. *We have made applications for registration of our trademarks, which are yet to be registered and one of our trademark application has received an objection from Patents and Trademarks Registry. Any objection/rejection pertaining to the said applications may affect our business conducted through such brands.*


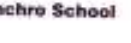
We have applied for registration of trademarks, “

 Knowledge Lab

”, “ Synchron School ”,

 CIFA

 and “” with the Trademark Registry, Ahmedabad. However, these trademarks are pending registration. For details of approvals relating to intellectual property, see section titled “*Government and Other Approvals*” at page 225. In absence of any statutory right, we may be restrained from using the trademarks which may adversely affect our business and operations.

While tracking the progress of our trademarks registration application on the website of Controller General of Patents Designs and Trade Marks Registry, we have observed an objection to our trademark application for “”, which was subsequently informed to us by letter dated July 22, 2009 received on May 14, 2010 from the abovementioned authority. We have filed our reply to the said objection by our letter dated June 9, 2010. In the event the objection raised has not been responded by us to the satisfaction of the Patents and Trademark Registry, we may not be able to obtain the registration over the trademark “”, which may force us to look for an alternative brand for our operations. This may affect our operations, business prospects and visibility. We also can not assure you that such objections will not be received in future from Patents and Trademark Registry.

32. *If our franchisees fail to operate their training centres successfully, our results of operations may be adversely affected.*

Our franchise business generated approximately 3.44% of our restated standalone operational revenues for the year ended March 31, 2010. Franchisees may not have access to financial resources they need in order to maintain the training centres due to unavailability of credit or other factors beyond their control. Any significant inability on the part of franchisees to obtain necessary financing on acceptable terms, or at all, could affect our business, profitability and results of operation.

33. *Our Business is seasonal in nature which is susceptible to the risk of enrollments being lower than expected.*

Our business is closely linked to the academic cycle. Historically, due to summer vacations and declaration of results by various boards for secondary education and competitive entrance examinations, our enrollments have been higher during the first and second quarter of the Financial Year. As a result of this, our quarter-on-quarter data regarding enrollments may not be comparable or a meaningful indicator of our futuristic enrollments. It is possible that in certain quarters our enrollments may be below expectations or we may not receive enrollments at all. Such analysis of our enrollments on a quarter-on-quarter basis may be perceived as negative indicator of our growth, which may adversely impact market price of our Equity Shares.

34. *We have filed certain compounding applications for violations of provisions of Companies Act. If any penalty is imposed on us, the same may have an adverse impact on our profitability.*

Our Company has filed an application for compounding of offence under Section 621A of the Companies Act read with various other sections of the Companies Act, before the Regional Director, Northern Region, Noida, for the following:

- (a) voting for on contract or arrangement in which the directors are interested;
- (b) for entering into related party transactions without obtaining prior approval of the Central Government;
- (c) for non-appointment of whole time company secretary during the period from August 10, 2006 to November 1, 2007;
- (d) for grant of loans to director, any private company of which any such director is a director or member and any firm in which any such director or relative is a partner, without obtaining the previous approval of the Central Government;
- (e) for not having an audit committee in place.

For further details, see section titled “*Outstanding Litigation and Material Developments*” at page 198.

35. *One of our Group Companies and entities has its objects similar to that of our business activities and there could be a potential conflict of interest with us.*

One of our Group Companies and entities, Wellwin Technosoft Private Limited, has some objects similar to those of our Company. Presently Wellwin Technosoft Private Limited is not carrying on any business activity which is similar to our business. However, in the event it decides to pursue the objects as stated in its memorandum of association, it may adversely affect our business. To that extent, we may have a potential conflict of interest with Wellwin Technosoft Private Limited.

36. *The insurance policies obtained by us may not be adequate to protect us against certain risks and we may be subject to losses that might not be covered in whole or in part by existing insurance coverage.*

Our principal types of insurance coverage include motor vehicle insurance, cash-in-transit insurance and Directors' liability insurance, but we cannot assure that the level of insurance maintained by us is adequate. However, we currently do not have any insurance policies for our Registered Office and Corporate Office and historically have not maintained insurance policies for our other premises. Any damage suffered by us in respect of uninsured events would not be covered by such insurance policies and we would bear the effect of such losses. We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully or on time. Any payments we make to cover any losses, damages or liabilities or any delays we experience in receiving appropriate payments from our insurers could have an adverse effect on our business, financial condition and results of operations.

Following is the tabular representation of the insurance policies availed by us:

Nature of policy	Nature of coverage	Insured amount (in Rs.)
Directors' & Officers' Liability Insurance Policy	Loss arising from any claim against the directors by way of any wrongful act committed in the capacity of a director	20,000,000
Cash-in-transit insurance	Insurance against any loss of money in transit, by the insured or insured's authorized employee(s)' occasioned by robbery, theft or any other fortuitous cause	19,100,000
Vehicle insurance policies (consolidated)	Insurance of car vehicles for any purpose other than hire or reward, carriage of goods, organized racing, pace making, speed testing, etc.	3,607,525

37. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.*

Our ability to pay dividends in future will depend on the earnings, financial condition, cash flow, working capital requirements and capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our results of future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot guarantee our ability to pay dividends.

38. *If we are unable to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business it may materially and adversely affect our business and operations.*

We are required to obtain statutory and regulatory approvals or permits at various stages of our operation.

For example, we are required to obtain certain licenses under the applicable Shops and Establishment Act of the various states in India in which our centres are located. We have applied for, or are in the process of applying for, such approvals or their renewal. However, as of the date of filing the RHP, we have not applied for any regulatory permit or approvals for two of our centres situated at Hyderabad, Andhra Pradesh and Alwar, Rajasthan.

We may not receive such approvals or renewals of such approvals may not happen in the expected time frame anticipated by us or at all. We may also be faced with investigations and inquiries from various governmental authorities for not obtaining approvals for the abovementioned training centres. Our decision of not applying for the approvals and permits and our inability to obtain or renew the approvals and permits on time or at all, may affect our business and result of operations. For further details in this regard, see section titled “Government and Other Approvals” at page 225.

39. *We have entered into, and may continue to enter into related party transactions and there can be no assurance that such transactions have been on favorable terms. The aggregate value of the related party transactions entered into during Fiscal 2010 is Rs. 367.98 million.*

We have entered into certain related party transactions with our Subsidiaries, Directors, Promoters and Promoter Group entities. The related party transactions entered into by us have been disclosed in our restated audited financial statements. See section titled “Financial Statements” at page 180 for further details of these related party transactions. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

In addition, following is the tabular representation of the summary of the related party transactions entered into by the Company:

	(Rs. million)
Transaction details	Fiscal 2010
Loans & Advances	
Loan/ Advances Given	328.10
Remuneration	
Remuneration paid to KMPs	5.22
Rent	
Rent paid	4.98
Investments	
Investments acquired during the period/ year	1.50
Interest on Loan	
Interest received on Loan	19.55
Repayment of Loan Received	
Enterprises in which KMP are interested	7.84
Brokerage Received	
From KMP	0.79

The aggregate value of the related party transactions entered into during Fiscal 2010 is Rs. 367.98 million.

40. *Different kind of regulatory policies or legislations in different States may be in effect governing our different centres, imposing certain restriction on us for providing services.*

“Education” is a matter of concurrent legislation, since it falls under Schedule VII, List III (Concurrent List), Entry 25 of the Constitution of India. Hence, both the State Governments as well as the Central Government are empowered to enact a legislation on this matter. Since we provide management services to the K-12 segment and Higher Education, we expose ourselves to such regulatory impositions as may arise in future. Hence there might be a situation that State Governments may come up with different kinds of policies or laws regarding management services.

In that case, there might be a situation where our clients situated in different states are subject to different kind of policies, regulations or laws which may pose a threat to feasibility of providing management services.

41. Our indebtedness and the conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business.

There are restrictive covenants in the financing agreements that our Company has entered into with HDFC Bank for short-term loans. Some of these restrictive covenants require the prior permission of the said bank for certain activities for example, restrictions pertaining to the declaration of dividends, alteration of the capital structure and entering into any merger/amalgamation.

42. Our contingent liabilities in standalone restated financial statements aggregating to Rs. 3.75million as on March 31, 2010, could adversely affect our financial condition. In the event such contingencies occur, it would adversely affect our financial conditions.

As of March 31, 2010, our aggregate contingent liabilities consists of liability raised in service tax, demand notice for income tax and consumer related matters amounting to Rs 1.05 million, Rs 0.95 million and Rs. 1.75 million respectively. In the event that any of these contingent liabilities materialize, our results of operation and financial condition may be adversely affected. For further details, see section titled "Management's Discussion and Analysis of Condition and Results of Operations" at page 181.

The details of our contingent liabilities for the Fiscals 2010, 2009, 2008, 2007 and 2006:

(Rs in Millions)

Particulars	As at March 31				
	2010	2009	2008	2007	2006
Service tax liability in respect of matters in appeal	1.05	4.44	1.77	1.77	Nil
Consumer cases liability in respect of matter in appeal	1.75	1.05	0.50	0.88	Nil
Demand Notice for Income Tax from Income Tax department	0.95				
Income Tax search case*					
Total	3.75	5.49	2.27	2.65	Nil

*An undisclosed income amounting to Rs 60,058,330 has been detected by the Income Tax Department during search & seizure carried on December 4, 2009 under the IT Act in the office premises of the Company as well as the residence of the Directors and their relatives. Out of this income it is not clearly mentioned as to how much pertains to individuals and how much to the Company. Consequently the Contingent liability of the Company in respect of this undisclosed income has become difficult to be ascertained.

The aggregate of the contingent liabilities on a standalone basis as on March 31, 2010 is Rs. 3.75 million.

In the event that any of the above contingent liabilities fructify, the same could adversely affect the financial condition of our Company.

43. We have not made any provision in our financial statements for potential decline in value of our investments.

Our investments include investments in market securities, which are subject to inherent market risks. Any fluctuation in the market index may fluctuate the value of our investments. We have not made any provision in our financial statements in respect of any potential loss which may be caused due to decline in value of such investments. If the value of these investments were to decline significantly, there could be a

material adverse effect on our business, financial condition and results of operations.

As on March 31, 2010 we have made an investment of Rs. 376.72 million in such securities.

44. *Some of our Group Companies and Subsidiaries have unsecured loans which may be recalled by the relevant lenders at any time.*

Our Subsidiaries namely Career Point Infra Limited and Career Point Edutech Limited and some of our Group Companies have availed unsecured loans. Unsecured loans are repayable on demand and may be recalled by the lenders at any time without notice, or with short notice, upon default or otherwise. If the lenders exercise their right to recall a loan, it could have a material adverse affect on the financial position of our Subsidiaries and Group Companies.

45. *The funding requirements of our Company and the deployment of Net Proceeds are based on management estimates and have not been independently appraised by any bank or financial institution and may be revised from time to time.*

The deployment of Net Proceeds is based on management estimates and has not been appraised by any bank, financial institution or other independent institution. Our management will have discretion in the application of the Net Proceeds and investors will not have the opportunity, as part of their investment decision, to assess whether we are using the proceeds in a manner that they believe enhances our market value. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently, our programs for deployment of Net Proceeds may be rescheduled.

46. *Any delay in the schedule of implementation might have an adverse impact on our profitability.*

Our schedule of implementation is exposed to various risks including time and cost overrun due to various reasons including those which may be beyond our control. In case any such event occurs, which results in delaying our schedule of implementation, we may have to incur additional cost and we may not execute our business plan in line with the upcoming academic sessions. Such time and cost overrun may adversely impact our profitability.

47. *We have not identified the target company(ies) for the proposed acquisitions, which may delay the deployment of our Net Proceeds.*

We are in the process of short listing companies for undertaking acquisitions, investments or strategic relationships as part of our growth strategy. The targets for acquisitions/investment have not been identified yet. We may be unable to identify acquisition targets that complement our business, and even if we are able to identify suitable acquisition targets, we may not be able to complete acquisition of such targets on commercially reasonable terms, or at all. In addition, these acquisitions, investments, divestitures or strategic relationships, may not necessarily contribute to our profitability, may divert the attention of our management or require us to assume high levels of debt or contingent liabilities as part of such transactions. Additionally, we could experience difficulty in combining operations and cultures, and may not realize the anticipated synergies or efficiencies from such transactions. Our ability to successfully integrate acquisitions will depend on number of factors, including our ability to market and sell our courses at our existing Company Operated Training Centres in a manner that results in customer satisfaction. There is no assurance that we will be successful with respect to any of these factors. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

48. *We have not decided the form of investment for infusion of Net Proceeds in potential targets. The form of investment decided may not provide adequate return and may affect our profitability.*

We would be deploying a part of Net Proceeds towards acquisition and strategic initiatives. As of the date of the RHP, we have not entered into any definitive contractual commitment for any acquisition or strategic

initiatives. Further, we have also not yet finalized the form of investment for such potential targets and may choose to invest by way of equity or any convertible instruments. Although our mode of investment would be based on various factors including, funding requirements and rate of return, we cannot assure you that each investment would appear to be the best form of investment.

- 49. *We have not received final approval in relation to change in land usage for the land where we intend to develop integrated campus facility. Non approval of the same may have an adverse impact on our proposed plans.***

The land over which we intend to develop an integrated campus facility at Kota, has received an in-principle approval for conversion of land usage from the Urban Improvement Trust, Government of Rajasthan vide their letters all dated November 25, 2009. However, such approval is subject to receipt of final land conversion approval in order to commence construction over the said land. In the event necessary final approvals cannot be obtained from the concerned authorities, we may not be able to develop integrated campus facility over such land. This may force us to alter our plans in relation to development of integrated campus facility at Kota, which may adversely affect our business and financial prospects.

- 50. *Permission for change in land use of industrial plot E-8(i) of Indraprastha Industrial Area, Kota is subject to certain conditions. Failure to meet such conditions may have an impact on our proposed plans.***

We intend to develop class room infrastructure and office facility over E-8(i), Indraprastha Industrial Area, Kota, Rajasthan. We have received permission from Rajasthan State Industrial Development & Investment Corporation for change in land use, subject to compliance with certain conditions (e.g. depositing conversion charges, obtaining NOCs from other authorities, execution of new lease deed). We have deposited the conversion charges vide letter dated February 26, 2010 and have obtained NOCs from the fire department and airports authority of India. However, in the event we are not able to comply with other conditions mentioned therein, within the stipulated time frame, then the permission would stand withdrawn. We cannot assure you that we will be able to comply with the conditions within the given time frame. Failure to do so may result in withdrawal of the permission, which may adversely affect our business prospects and our revenues.

External Risk Factors

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

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

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

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

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

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares.

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

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

5. *Increases in interest rates may adversely impact our results of operations.*

We are exposed to interest rate risk but we do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreements. We may enter into interest hedging contracts or other financial arrangements in the future to minimize our exposure to interest rate fluctuations. We cannot assure you, however, that we will be able to do so on commercially reasonable terms or any of such agreements we enter into will protect us fully against our interest rate risk. Any increase in interest expense due to factors beyond our control, such as governmental, monetary and tax policies and domestic and international economic and political conditions, may have an adverse effect on our business prospects, financial condition and results of operations.

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

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

7. *Any downgrading of India's debt rating by an international rating agency could have an adverse impact on our business.*

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

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

Our financial statements are prepared in conformity with Indian GAAP, consistently applied during the stated periods and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other IFRS or to base it on any other standards. Indian GAAP and Indian auditing standards may differ from accounting principles and auditing standards with which prospective investors may be familiar in other countries. Significant differences exist between Indian GAAP and IFRS which may be material to the financial information contained in this Red Herring Prospectus. In making an investment decision, investors must rely upon their own examination of us, the terms of the offering and the financial information contained in the Red Herring Prospectus. Our failure to successfully adopt IFRS from the effective date, though not quantifiable monetarily, could have a material adverse effect on our stock price.

On January 22, 2010, the Ministry of Corporate Affairs (MCA) issued a press release setting out the roadmap for IFRS convergence in India. The roadmap requires IFRS to be made applicable in a phased manner. In view of the roadmap for achieving convergence, there will be two separate sets of accounting standards u/s section 211(3C) of the Companies Act. The first set of accounting standards (i.e. converged accounting standards) will be applied to specified class of companies in phases:-

Phase-I:- The following categories of companies will convert their opening balance sheets as at 1st April, 2011, if the financial year commences on or after 1st April, 2011 in compliance with the notified accounting standards which are convergent with IFRS. These companies are:-

- i) Companies which are part of NSE – Nifty 50
- ii) Companies which are part of BSE - Sensex 30
- iii) Companies whose shares or other securities are listed on stock exchanges outside India
- iv) Companies, whether listed or not, which have a net worth in excess of Rs.1,000 crores.

Phase-II:- The companies, whether listed or not, having a net worth exceeding Rs. 500 crores but not exceeding Rs. 1,000 crores will convert their opening balance sheet as at 1st April, 2013, if the financial year commences on or after 1st April, 2013 in compliance with the notified accounting standards which are convergent with IFRS.

Phase-III:- Listed companies which have a net worth of Rs. 500 crores or less will convert their opening balance sheet as at 1st April, 2014, if the financial year commences on or after 1st April, 2014, whichever is later, in compliance with the notified accounting standards which are convergent with IFRS.

There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems.

Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 1, 2011 could have a material adverse effect on the price of the Equity Shares.

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

The central and state governments serve multiple roles in the Indian economy, including producers, consumers and regulators, which may have a significant influence on us. Economic liberalization policies have encouraged private investment in our industry and changes in these governmental policies could have a significant impact on the business and economic conditions in India, which in turn could adversely affect our business, future financial condition and results of operations. In addition, the leadership of India has undergone multiple changes since 1996. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares.

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

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

Indian financial markets have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian financial markets have experienced volatility, with the BSE Sensex from a high of 21,206.77 points on January 10, 2008 to a low of 7,697.39 points on October 27, 2008, a decline of almost 63.70% during the period. Similarly, the BSE Sensex increased from 8,047.17 points on March 6, 2009 to 17,486.05 points on December 29, 2009, a rise of 117.29% during the period.. If similar volatility occur in the future, the market price and liquidity of our Equity Shares could be adversely affected.

11. *Civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy.*

Certain events that are beyond the control of our Company, such as violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighboring countries. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our business, future financial performance and price of the Equity Shares. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Indian economy and consequently Company's operations might be significantly affected. India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have an adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected.

12. *Investors may have difficulty enforcing foreign judgments against our Company or its management.*

The Company is a limited liability company incorporated under the laws of India. All Directors and key management personnel are residents of India and a substantial portion of our assets and such persons, are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908, of India (the “**Civil Code**”) on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in

India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

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

The United Kingdom has been declared by the Central Government to be a reciprocating territory for the purposes of Section 44A but the United States has not been so declared. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from RBI to execute such a judgment or to repatriate outside India any amount recovered. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

Prominent Notes

- This is a public issue of [●] Equity Shares for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating up to Rs. 1,150 million. This Issue would constitute [●]% of the post Issue paid-up capital of our Company.
- Pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41(1) of the SEBI Regulations, this being an Issue for less than 25% of the post-Issue equity share capital, is being made through a 100% Book Building Process wherein at least 60% of the Net Issue shall be Allotted to QIBs. If at least 60% of the Net Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.
- Our Company in consultation with the Book Running Lead Managers, may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.

Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.

Only Eligible Employees would be eligible to apply under the Employee Reservation Portion. Employees other than as defined in this Red Herring Prospectus are not eligible to participate

under the Employee Reservation Portion. Bids by Eligible Employees can also be made in the Net Issue portion to the public and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than 65,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis. The unsubscribed portion, if any, from the Equity Shares in the Employee Reservation Portion will be treated as part of the Net Issue and the proportionate allocation of the same would be at the sole discretion of our Company in consultation with the BRLMs.

- Under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be met with spill-over from any other category, at the discretion of our Company, in consultation with Book Running Lead Managers and the Designated Stock Exchange.
- In the event of an oversubscription in the Net QIB Portion, all QIBs bidding in the Net QIB Portion who have submitted Bids above the Issue Price shall be allocated Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion. In the event of an oversubscription in the Non-Institutional Portion and Retail Portion, allocation shall be made on a proportionate basis.
- The average cost of acquisition of Equity Shares by our Promoters which has been calculated on the basis of the average of amounts paid by each of them to acquire the Equity Shares currently held by them is as under:

Mr Pramod Maheshwari – Rs. 14.31 per Equity Share;
 Mr Om Prakash Maheshwari – Rs. 12.39 per Equity Share; and
 Mr Nawal Kishore Maheshwari – Rs. 12.25 per Equity Share.

- The Net Worth of our Company as on March 31, 2010 was Rs. 1,325.00million and Rs. 1,360.86 million, as per the restated consolidated financial statements and the restated standalone financial statements of our Company, respectively, included in this Red Herring Prospectus.
- The NAV/book value per Equity Share as on March 31, 2010 was Rs. 91.88 and Rs. 94.37, as per the restated consolidated financial statements and the restated standalone financial statements of our Company, respectively, included in this Red Herring Prospectus.
- Except as disclosed in this section and in sections titled “*Our Promoter and Group Companies*” and “*Our Management*” at pages 160 and 144, respectively, none of our Promoter, Directors or Key Managerial Personnel have any interest in our Company except to the extent of remuneration, reimbursement of expenses and other benefits provided to them by our Company and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, members, partners or trustees and to the extent of the benefits arising out of such shareholding, if any, in our Company. For further details in relation to the interests of our Directors and key managerial personnel, see section titled “*Our Management*” at pages 150 and 158 respectively.
- During the period of six months immediately preceding the date of filing of this Red Herring Prospectus, no financing arrangements existed whereby the Promoter Group, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.
- Our Promoters do not have any common pursuits nor are engaged in businesses similar to those carried out by our Company.

Some of our Group Companies and entities are permitted under their respective objects’ clauses to undertake activities which are similar to those being undertaken or intended to be undertaken by us and may be considered to be in the same line of business as we are, which may result in a

conflict of interest with respect to our business strategies. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

- The premises where our Registered and Corporate Office is located has been leased to us by our Promoter Mr. Pramod Maheshwari and Group Company and entity namely Diamond Business Solutions Private Limited respectively.

Except as stated in the sections titled “*Financial Statements - Related Party Transactions*” and “*Our Promoters and Group Companies*” at F - 32 and 163, respectively, our Promoters do not have any interest in our Company.

Except as disclosed in the sections titled “*Financial Statements*” and “*Our Promoter and Group Companies*” at pages 180 and 160, respectively, none of the ventures promoted by our Promoters are interested in our Company.

- For details of transactions in the securities of our Company by our Promoters, members of our Promoter Group, our Group Companies and entities and our Directors in the last six months, see section titled “*Capital Structure*” at page 64.
- Except as disclosed in the section titled “*Capital Structure*” at page 64, our Company has not issued any Equity Shares for consideration other than cash.
- Our Company was incorporated under the Companies Act on March 31, 2000 as “Career Point Infosystems Limited”. For further details, see section titled “*History and Certain Corporate Matters*” at page 134.
- The details in relation to transactions with the Group Companies and entities and Subsidiaries during Fiscal 2010 (on a standalone basis) and the nature of such transactions are provided in the table below:

	(Rs. million)
Transaction details	Fiscal 2010
Loans & Advances	
Loan/ Advances Given	328.10
Remuneration	
Remuneration paid to KMPs	5.22
Rent	
Rent paid	4.98
Investments	
Investments acquired during the period/ year	1.50
Interest on Loan	
Interest received on Loan	19.55
Repayment of Loan Received	
Enterprises in which KMP are interested	7.84
Brokerage Received	
From KMP	0.79

For further details pertaining to our related party transactions, refer to the notes on related party transactions in the section titled “*Financial Statements*” on page 180.

- Our Company has not made any loans and advances to any person(s)/ company in which the Directors are interested, except as disclosed in the sections titled “*Financial Statements*” and “*Related Party Transactions*” at page 180, and F - 32, respectively.

- Trading in Equity Shares for all investors shall be in dematerialised form only. For further details, see section titled “*Issue Procedure*” at page 248.
- Investors are advised to also refer to the section titled “*Basis for Issue Price*” at page 88.
- Any clarification or information relating to this Issue shall be made available by the Book Running Lead Managers and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. The Book Running Lead Managers shall be obliged to provide any information or clarification relating to this Issue to any investor. Investors may contact the BRLMs for any complaints or comments pertaining to this Issue. The Book Running Lead Managers undertake to attend to the same expeditiously and satisfactorily.
- All grievances relating to the ASBA process may be addressed to Registrar to the Issue, with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Form was submitted by the ASBA Bidders.

SECTION III – INTRODUCTION

SUMMARY OF BUSINESS

Company Overview

We are a tutorial services provider in India. We provide tutorial services to high school and post high school students for various competitive entrance examinations including All India Engineering Entrance Examination, Indian Institute of Technology – Joint Entrance Examination and All India Pre-Medical and Pre-Dental Test. The tutorial services are provided through our classroom training programmes conducted through a network of Company Operated and Franchisee Centres. As at July 31, 2010 we had 17 Company Operated Training Centres and 16 Franchisee Centres and during the four months period till July 31, 2010 we have received 28,626 enrollments. We have a team of 231 faculty members as on July 31, 2010 (excluding faculty members of franchisees) comprising of graduates in engineering and science. We have, over a period of time, built our content repository of over 10,000 pages of text content and over 12,000 minutes of video content for various tutorial services offered by us. For students who are not able to attend our regular classroom programme, we offer distance learning programme comprising of correspondence and test series courses which have been systematically designed to provide effective and efficient education to students in a simple and lucid manner.

We plan to use technology as a tool to provide access of our content repository to students across India. To leverage our content repository and to provide a personalized learning environment to our students, we have recorded the lectures of our experienced faculty members through Career Point Knowledge Lab. Further, we have designed and developed Synchro-School programme to synchronize preparation for competitive examination with formal school education.

We have recently forayed into Education Consultancy and Management Services ('ECAMS'), catering to K-12 and Higher Education segments. Further, to address larger base of potential students, we have introduced technology enabled education delivery platform for delivering content through 'TechEdge Class'.

For the year ending March 31, 2010, our total standalone restated revenues and adjusted net profit, were Rs. 678.01 million and Rs. 198.69 million, which represents 38.27% and 22.34% increase, respectively from the year ended March 31, 2009.

Given below is the table showing enrollment data of our Company during Financial Year 2008, 2009, 2010 and 2011:

Particulars	Financial Year			
	2008	2009	2010	2011*
IIT-JEE	5,164	4,296	5,560	6,190
AIEEE	15,628	16,730	20,640	18,253
AIPMT	1,643	1,141	908	3,606
Distance learning programs	5,581	5,543	4,690	577
Total	28,016	27,710	31,798	28,626

*Represents number of enrollments during the four months period till July 31, 2010.

Competitive Strengths

We believe the following competitive strengths contribute to our success and differentiate us from our competitors:

Commitment to offering quality courses and student success

We offer quality tutorial courses, and intend to improve the learning experience for our students. We believe offering quality academic courses is contingent upon recruiting and retaining experienced faculty members, providing updated educational content and effective academic administration and control on content delivery. We retain faculty and instructors with relevant industry experience and appropriate academic credentials. Our Research and Development Cell helps in reassessing and updating our tutorial courses on a regular basis which also helps us in designing new academic courses. Our academic management team prepares clear and well defined layouts for content delivery by each of our faculty members. It also administers content delivery by obtaining regular feedbacks from our students for each faculty member. Such feedbacks are then compiled, analysed and compared by respective HoDs with our standard procedures for content delivery. In case of any deviations, we take remedial measures to restore the delivery of our standardized content.

Strong brands and geographic presence

We believe that our training centres have established a competitive position and brand recognition in our markets. We currently have presence across 13 states (including our Franchisee Centres) which provide access to major markets in northern and eastern India. Also, our Kota centre draws students from across the country and from Singapore and the Middle East, which in turn reinforces the brand equity and our geographical reach.

Qualified faculty team

We believe that our qualified and experienced faculty members contribute to our success. Our faculty members are graduates in engineering and science from Indian Institute of Technology, National Institute of Technology and other colleges in India. Our faculty members are well equipped with subject knowledge guiding and tutoring students. We also have an ongoing in-house faculty training facility which ensures that all our faculty members undergo training on our teaching methodologies and skills and subject matter of relevant courses and to keep them abreast of the changes in competitive entrance examination trends and changing student needs.

Experienced management team

Our senior management team, comprising of senior vice presidents and above, has collective experience of over 65 years and over 13 years of average experience in the education industry. We believe our management led by our Promoters, some of whom have extensive tutorial experience, have deep understanding of the education industry, which enables us to successfully manage our operations and facilitate our growth.

Quality teaching methodology

We have over a period of time developed a scientific teaching methodology and system of teaching, which we believe is essential for success in any competitive entrance examination. We understand that in order to achieve success, one needs knowledge which should be acquired through a comprehensive systematic approach, rigorous practice, time management and confidence.

Our focus is to train our students by developing necessary conceptual knowledge base, enhance speed and accuracy levels, infuse confidence and build the right temperament to face the competitive entrance examination. In such competitive examinations, we believe our teaching methodology plays a key role in enhancing students' overall performance.

Growth Strategies

Our goal is to strengthen our role as a leading and diversified provider of tutorial services in relation to various competitive entrance examinations and emerge as a significant player in ECAMS by continuing to pursue the following growth strategies:

Development of integrated campus facility

We currently operate 17 Company Operated Training Centres and 16 Franchisee Centres. Our Company Operated Training Centre at Kota attracts highest number of students in terms of enrollments when compared with our other training centres. Realising the need of our students, we are constructing an integrated facility at Kota. We expect to complete the construction of our integrated facility at Kota by Fiscal 2012. In addition to catering to the existing student base, the new integrated facility will also allow us to increase our enrollments. In order to support the expansion, we will also be increasing the number of faculty with a view to ensure adequate faculty student ratio. Further, we believe developing an integrated facility would increase our role in addressing essential needs of our students in addition to the tutoring services, which in turn will help us in tapping a wide range of the revenue flows arising out of the expenses incurred by a student during his stay at Kota.

Enter new geographic markets and new course offerings

We intend to enter new geographic markets and increase course offerings which will increase our diversification and potential for future course expansion.

- New geographic markets: The size of the potential education market in India is estimated to comprise of approximately 1.3 million schools and approximately 237 million students in the primary, secondary and higher secondary segment. We believe we can increase our student enrollments by entering new geographic markets that offer significant growth potential. In particular, we look to expand in those markets which offer optimum opportunities in terms of student enrollments based on parameters like lack of proper education, aspiration of students, socio-economic background.
(Source: Annual Report of Ministry of Human Resource Development for the year 2009-2010)
- New course offerings: We intend to continue enhancing our course offerings to meet the evolving market demand in fields which do not form part of our traditional offerings. As we introduce new course offerings, we intend to achieve higher number of student enrollments. We will leverage our in-house development capability and third-party consultants to develop new products in areas that we believe will further enhance our growth and profitability. We will also leverage our existing network, customer base, brand reputation, franchise operating experience and educational capabilities when we enter into new market segments. For example, we may seek to provide tutorial services in specialties other than engineering and medical. We also intend to foray into course offerings relating to vocational education and training.

Reaching students through our innovative products

- TechEdge Class

TechEdge Class is a concept based on virtual classroom environment which replicates the model of a real classroom with the help of VSAT/VPN technology. In a TechEdge Class, students interact with instructors online using audio and video conferencing facility. To ensure a smooth functioning of this model, TechEdge Classes are equipped with computer systems, headphones and software to provide synchronous learning environment.

Through this delivery platform we are able to deliver lectures at multiple locations simultaneously. From our experience we believe that an average student raises certain standard sets of questions on any topic, which with the help of TechEdge Classes gets addressed to a much wider base of students. This helps us in minimizing our time and cost in terms of resource deployment. Further, the cost involved in setting up TechEdge Class is relatively low. This coupled with minimum human interface enables us to expand our offerings to remote locations where setting up a full fledged training centre is not economically viable. In order to reach the students through this technology, we have entered into an agreement with Hughes Communication India Limited ('HCIL') for providing satellite based interactive services through HCIL's network spread across India.

- Expansion of Synchro-School Programme through technological initiatives

We also intend to provide Synchro-School Programme under our TechEdge Class initiative through VSAT/VPN technology and learning management software. This will facilitate our experienced faculty members to conduct lectures at schools situated at remote locations.

- Career Point Knowledge Labs

The academic requirements of students tend to be diverse and to meet them efficiently we have launched a technology based personalized learning solution which is provided at our Career Point Knowledge Labs. Career Point Knowledge Labs intends to supplement existing learning process as a reinforcement of knowledge learnt. We provide pre-recorded varied educational content developed by our faculty members in video and digital format. Apart from content created exclusively for Career Point Knowledge Labs, content developed by our faculty members in TechEdge Class will also be distributed through these Career Point Knowledge Labs. We intend to increase the number of Career Point Knowledge Labs across the nation. We believe that this concept would address the personalized learning needs of students and revolutionize the process of learning for competitive exams.

Continue to leverage and expand our content development

We have already developed content for various competitive examinations for which we provide tutoring services. We believe that quality content will continue to be an important factor driving the success of education business. We continuously enhance the quality and also the breadth of our content by developing our own content and may enter into strategic tie-ups for sourcing content from international content providers. We also intend to expand our content delivery platform. Our in-house content development model provides us the ability to offer ready solutions to our students and the capability to quickly provide content to enter newer markets.

Opportunisticly pursue strategic acquisitions

In evaluating potential acquisitions, we seek to pursue selective strategic acquisitions and joint venture opportunities to augment our capabilities, broaden our service offerings and increase our geographical presence with the potential for course replication at our existing centres, new course offerings, and new markets with attractive growth opportunities. Our potential targets are companies involved in the education sector or companies engaged in providing services to the education sector and whose operations can be scaled up by leveraging our experience.

Participation in formal education through ECAMS

We believe there is a huge potential for ECAMS in the K-12 and Higher Education segment in India. We will explore opportunities to provide ECAMS to a number of privately and/or Government-run schools, colleges and universities. We also intend to enter into partnerships with the Governments under the PPP model to manage schools, colleges and universities in rural and/or urban areas.

SUMMARY OF INDUSTRY

Indian education system comprises of formal and informal education.

a. **Formal Education:**

Formal education comprises of K-12 (mainly schools) and higher education. This segment is highly regulated by various statutory bodies formed by central and state governments.

K-12 Education:

K-12 education in India is delivered through various schools that are affiliated with CBSE, ICSE, state boards and other international boards. These schools are either run by government or by the private sector.

Government of India has taken various initiatives in increasing the scalability and improving the infrastructure for primary education. It has implemented various programmes like Sarva Shiksha Abhiyan, Mid Day Meal Scheme and National Literacy Mission. To meet the growing demand for access to secondary education, some of the major initiatives proposed to be taken by the Government during Eleventh Five Year Plan include launching the scheme of Rashtriya Madhyamik Shiksha Abhiyan, setting up of 6000 model schools, National Means cum Merit Scholarship scheme, etc.

(Source: MHRD Annual Report 2008-09)

Higher and Technical Education:

Higher education is governed by UGC, comprising graduate/ medical/ engineering courses. As on December 31, 2009, there are 504 universities comprising of 243 state universities, 53 state private universities, 40 central universities, 130 deemed universities, 5 institutions established under state legislations and 33 institutes of national importance established by central legislation. In addition, there are 25,951 colleges including around 2,565 colleges for women. At the beginning of the academic year 2009-10, the total number of students enrolled in universities and colleges has been reported to be 13.64 millions.

Apart from above, as on March 18, 2010, there are 59 private universities established under various States with state of Rajasthan having majority of private universities.

The technical education system in the country can be broadly classified into three categories, viz. Central Government funded institutions, State funded institutions & Self-financed institutions. In 2008-09, there were 63 Centrally funded institutions of technical and science education besides two Apex level Councils, namely, All India Council for Technical Education (AICTE) and the Council for Architecture.

(Source: MHRD Annual Report 2008-09 and 2009-10)

As of 2008-09, the major achievements in Higher and technical education during Eleventh Five Year Plan in various areas are as follows:

- Expansion of intake capacity of CEIs by 54%.
- Establishment of eight new IITs, a IIIT(Design & Manufacturing), 5 Indian Institutes of Science Education & Research, 2 Schools of Planning & Architecture and 1 IIM.
- 15 new Central Universities, one Indira Gandhi National Tribal University.

(Source: MHRD Annual Report 2008-09)

Medical Colleges (Providing MBBS Degree) and Dental Colleges:

Medical colleges in India are required to be recognized by the Medical Council of India. Till the year 1947 there were 24 medical colleges and in the year 2009, the number of recognized medical colleges have been increased to 275.

Dental Colleges are recognized by the Dental Council of India. At present there are 279 recognised/permitted dental colleges in India.

(Source: Website of MCI and Dental Council of India, viewed on February 18, 2010)

b. Informal Education:

Informal education includes coaching classes for various competitive entrance examinations and for sub sectors of formal education, pre-schools and vocational training. This type of education is not governed by any regulatory authority.

Coaching for competitive entrance examinations

Competitive entrance examination is a screening process for providing education in various engineering, medical, MBA, accountancy MCA field. There are various education companies that provide coaching to the students who aspire to get admission in such fields.

a. All India Engineering Entrance Examination (AIEEE)

For admission to Engineering and Architecture/Planning programmes, Government of India has laid down a Three – Exam Scheme (JEE and AIEEE and SLEEE). First AIEEE was conducted in the year 2002. Number of students appearing in this exam has increased at a CAGR of 19.4% between 2005 and 2009.

(Source: website of AIEEE, viewed on January 1, 2010)

b. Indian Institutes of Technology – Joint Entrance Exam (IIT JEE)

The Indian Institutes of Technology (IITs) are institutions of national importance established through an Act of Parliament for fostering excellence in education. The admissions to the undergraduate programmes at IITs for all Indian and Foreign nationals are made through the Joint Entrance Examination. From the year 2006 to 2010 the number of students appearing for IIT-JEE has increased at a CAGR of 9.5%.

(Source: IIT press release and website of IIT Madras, JEE and wikipedia, viewed on February 20, 2010 and June 1, 2010)

c. Growth Drivers in Education Sector:

Increasing population and lower literacy rate: Increasing population and constitution of 32.6% of population in the age group of 0 to 14 years will lead to increase in number of schools, colleges and universities.

(Source: UNESCO Institute of Statistics, World Bank, UNAIDS, ILO, Household Surveys, IMF, Country Data are for the most recent year available in 2000-2005.)

Increasing per capita income: Per capita income at current prices during 2009-10 is estimated to be Rs. 43,749 as compared to Rs. 40,141 during 2008-09, showing a rise of 9%. This would contribute to increase the spending on education.

(Source: Website of Central Statistical Organisation, viewed on February 20, 2010)

Migration to Knowledge Economy: India is migrating towards a services driven economy with the contribution of service and industry sectors to GDP increasing year on year. The lateral shift to a services economy is resulting in migration of people to cities and towns leading to mass urbanization. Increasing urban population and demand for skilled workforce creates the need for better quality education.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated standalone financial statements as of and for the years ended March 31, 2006, 2007, 2008, 2009 and 2010 as well as consolidated restated financial statements as of and for the years ended March 31, 2007, 2008, 2009 and 2010. These restated financial statements have been prepared in accordance with the SEBI Regulations and are presented in the section titled “*Financial Statements*” on page 180. The summary financial information presented below should be read in conjunction with our restated standalone financial statements, the notes thereon and the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 181.

Restated Standalone Statement of Assets and Liabilities

(Amount in Rs. Million)

PARTICULARS	As at				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
A. Fixed Assets					
Gross Block	116.50	79.71	35.59	20.56	8.72
Less: Depreciation	12.35	7.04	3.38	1.74	0.70
Net Block	104.15	72.67	32.21	18.82	8.02
Intangible Assets(Net)	*176.85	73.44	36.14	37.52	33.36
Add: Capital WIP	66.88	69.66	56.76	20.58	-
Total Fixed Assets (A)	347.88	215.77	125.11	76.92	41.38
B. Investments : (B)					
- in subsidiaries	39.90	35.00	35.50	1.00	-
- in others	376.72	19.77	13.85	29.21	3.90
Total (B)	416.62	54.77	49.35	30.21	3.90
C. Current Assets, Loans and Advances :					
Inventories	17.43	18.49	9.56	3.53	0.76
Sundry Debtors	4.66	23.46	18.00	5.64	5.78
Cash and Bank Balances	226.16	132.80	169.49	119.48	20.12
Loans and Advances	454.80	293.78	137.81	92.29	30.88
Total (C)	703.05	468.53	334.86	220.94	57.54
D. Liabilities and Provisions :					
Secured Loans	1.13	52.19	-	-	-
Unsecured Loans	-	-	-	29.27	5.46
Deferred Tax Liability	1.87	2.36	1.15	0.92	0.62
Current Liabilities	100.07	95.59	81.74	64.95	45.99
Provisions	3.62	2.33	1.81	9.52	1.95
Total (D)	106.69	152.47	84.70	104.66	54.02
E. Miscellaneous Expenditure	14.83	2.53	2.12	1.20	0.05
(to the extent not w/off)					
F. Net Worth (A+B+C-D) :	1,360.86	586.60	424.62	223.41	48.80
G. Represented by					
Share Capital	144.20	120.67	120.67	50.71	11.40

PARTICULARS	As at				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Share Application Money	-	-	-	5.19	-
Reserves and Surplus	1231.49	468.46	306.07	168.71	37.45
Total (G)	1,375.69	589.13	426.74	224.61	48.85
H. Net Worth (G-E)	1,360.86	586.60	424.62	223.41	48.80

The above Statements should be read with the Significant Accounting Policies and Notes to the Standalone Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively.

*Intangible Assets includes Leasehold land of Rs 176.84 million and Trademarks of Rs 0.01 million.

Restated Standalone Statement of Profit and Loss Account

(Amount in Rs. Million)

Particulars	For the Year ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Income :					
Education and training income	590.71	397.72	320.15	225.76	3.26
Centre Royalty	21.21	42.02	49.13	51.32	38.02
Sale of study material	4.63	11.77	10.95	13.66	13.04
Other Income	61.46	38.85	31.43	8.97	2.62
Total Income	678.01	490.36	411.66	299.71	56.94
Expenditure:					
Administrative expenses	146.97	99.20	78.55	50.31	13.21
Manpower	208.20	118.95	72.05	45.97	8.14
Cost of Study Material Consumed	21.84	17.90	23.76	21.26	13.14
Deferred Revenue Expenditure	0.33	0.29	0.37	0.22	0.04
Total expenditure	377.34	236.34	174.73	117.76	34.53
Earnings before interest, depreciation & tax	300.67	254.02	236.93	181.95	22.41
Interest and finance charges	0.33	1.83	0.47	0.02	-
Depreciation & amortization	6.55	4.19	2.01	1.33	0.47
Earnings before tax and extra ordinary items	293.79	248.00	234.45	180.60	21.94
Provision for taxation					
- Current tax	95.58	83.70	79.17	60.00	6.90
- Taxation adjustments of earlier years		-	-	-	-
- Deferred tax	(0.48)	1.21	0.23	0.30	0.31
- Fringe benefit Tax	-	0.68	0.52	0.20	-
Profit before extra ordinary items	198.69	162.41	154.53	120.10	14.73

	For the Year ended				
Particulars	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Extra ordinary items	-	-	-	-	-
Adjustment on account of prior period Items	-	-	-	-	-
Adjusted net profit	198.69	162.41	154.53	120.10	14.73
Balance brought forward from previous year	353.81	191.39	36.86	10.66	7.88
Dividend on shares	-	-	-	7.61	1.71
Tax on dividend	-	-	-	1.29	0.24
Transfer to general reserve	-	-	-	85.00	10.00
Balance carried to balance sheet	552.50	353.81	191.39	36.86	10.66

The above Statements should be read with the Significant Accounting Policies and Notes to the Standalone Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively.

Restated Standalone Cash Flow Statement

(Amount in Rs. Million)

Particulars	Year Ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Cash Flows from Operating Activities					
Net Profit Before Taxation after prior period items	293.79	248.00	234.45	180.60	21.94
Adjustments for:					
Add:					
Depreciation	6.55	4.19	2.01	1.33	0.47
Share Issue Expenses Written Off	0.33	0.29	0.35	0.22	0.04
Interest Expenses	0.33	1.83	0.47	0.02	-
Security Written Off	-	-	-	-	0.02
Bad Debts Written Off	8.38	-	-	0.04	-
Provision for gratuity	1.83	0.29	0.72	-	-
Provision for Doubtful Advances	1.75	-	-	-	-
Provision for Doubtful Debts	4.24	-	-	-	-
Add / (Less):					
Dividend Income	(18.58)	(2.29)	(2.86)	(1.06)	(0.13)
(Profit) / Loss on sale of shares / Investments	(3.17)	0.37	(2.56)	(0.54)	(0.82)
Interest Income	(36.98)	(29.83)	(22.74)	(7.22)	(1.67)
(Profit) / Loss on sale of fixed assets	-	(1.97)	(2.78)	0.44	-
Security Forfeiture	(1.67)	-	-	-	-
Operating Profit before Working	256.80				

Particulars	Year Ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Capital Changes		220.88	207.06	173.83	19.85
(Increase)/Decrease in Trade and Other Receivables	4.43	(5.48)	(12.38)	0.10	(4.49)
(Increase)/Decrease in Inventories	1.06	(8.93)	(6.03)	(2.77)	(0.76)
(Increase)/Decrease in Other Current Assets	(156.56)	(150.40)	(38.25)	(61.92)	(9.40)
Increase/(Decrease) in Provisions	1.30	(0.46)	(0.04)	-	(7.22)
Increase/(Decrease) in Current Liabilities	4.33	13.85	16.79	18.95	19.73
(Increase) in miscellaneous Expenditure	(12.64)	-	-	-	-
Income- taxes paid	(100.05)	(89.26)	(86.44)	(59.50)	(10.14)
Net Cash Flow from Operating Activities	(1.33)	(19.80)	80.71	68.69	7.57
Cash Flow from Investing Activities					
Purchase of Fixed Assets (including CWIP)	(138.66)	(98.94)	(51.87)	(37.32)	(15.75)
Investment in Subsidiaries	(1.50)	-	(34.50)	(1.00)	-
Sale of Investment in Subsidiary	-	0.50	-	-	-
Sale/(Purchase) of Other Investments	(357.17)	(6.30)	17.92	(24.76)	2.39
Interest Received	36.97	29.83	22.74	7.22	1.67
Sale of Fixed Assets	-	6.08	4.45	-	-
Dividend Received	18.58	2.29	2.86	1.06	0.13
Net Cash Flow from Investing Activities	(441.78)	(66.54)	(38.40)	(54.80)	(11.56)
Cash Flows from Financing Activities					
Proceeds from Issue of Share Capital (including Premium)	600.00	-	52.80	59.81	-
Proceeds from Short Term Borrowings	-	52.19	-	23.81	5.46
Proceeds from Share Application Money Received	-	-	-	5.19	-
Repayment of Share Application Moneys Received	-	-	(5.19)	-	-
Repayment of Short Term Borrowings	(51.06)	-	(29.27)	-	-
Interest on Loan	(0.33)	(1.83)	(0.47)	(0.02)	-
Share Issue Expenses Incurred	(12.14)	(0.71)	(1.27)	(1.37)	-
Dividend Paid	-	-	(7.61)	(1.71)	(0.56)
Corporate Dividend Tax Paid	-	-	(1.29)	(0.24)	(0.08)
Net Cash Flow from Financing Activities	536.47	49.65	7.70	85.47	4.82
Net increase in cash and cash	93.36				

Particulars	Year Ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
equivalents		(36.69)	50.01	99.36	0.83
Cash and Cash Equivalents (Opening Balance)	132.80	169.49	119.48	20.12	19.29
Cash and Cash Equivalents (Closing Balance)	226.16	132.80	169.49	119.48	20.12
Net increase in cash and cash equivalents	93.36	(36.69)	50.01	99.36	0.83

Restated Consolidated Statement of Assets and Liabilities

(Amount in Rs. Million)

PARTICULARS	As at			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A. Fixed Assets				
Gross Block	244.65	206.80	65.92	20.56
Less: Depreciation	12.40	7.05	3.38	1.74
Net Block	232.25	199.75	62.54	18.82
Intangible Assets (Net)	*176.86	73.44	36.14	37.52
Add: Capital WIP	71.58	72.75	88.43	20.58
Total Fixed Assets (A)	480.69	345.94	187.11	76.92
B. Investments : (B)				
- in others	382.11	21.90	13.79	29.16
C. Current Assets, Loans and Advances :				
Inventories	17.43	18.49	9.56	3.53
Sundry Debtors	4.66	23.46	18.00	5.64
Cash and Bank Balances	227.42	132.89	171.95	120.68
Loans and Advances	321.49	185.04	107.06	92.02
Total (C)	571.00	359.88	306.57	221.87
D. Liabilities and Provisions :				
Secured Loans	1.13	52.19	-	-
Unsecured Loans	-	-	0.03	29.27
Deferred Tax Liability	1.87	2.36	1.15	0.92
Current Liabilities	102.18	98.44	82.14	64.95
Provisions	3.62	2.33	1.81	9.52
Total (D)	108.8	155.32	85.13	104.66
E. Miscellaneous Expenditure	15.69	3.75	3.97	1.25
(to the extent not w/off)				
F. Net Worth (A+B+C-D) :	1,325.00	572.40	422.34	223.29
G. Represented by				
Share Capital	144.20	120.67	120.67	50.71
Share Application Money	-	-	-	5.19

PARTICULARS	As at			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Reserves and Surplus	1,196.31	454.05	304.17	168.64
Minority Interest	0.18	1.43	1.47	0.00
Total (G)	1,340.69	576.15	426.31	224.54
H. Net Worth (G-E)	1,325.00	572.40	422.34	223.29

The above Statements should be read with the Significant Accounting Policies and Notes to the Consolidated Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively.

*Intangible Assets includes Leasehold land of Rs 176.84 million and Trademarks of Rs 0.02 million.

Restated Consolidated Statement of Profit and Loss Account

(Amount in Rs. Million)

Particulars	For the Year ended			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Income :				
Education and training income	590.76	397.72	320.15	225.76
Centre Royalty	21.21	42.02	49.13	51.32
Sale of study material	4.63	11.77	10.95	13.66
Other Income	41.82	27.02	30.06	8.97
Total Income	658.42	478.53	410.29	299.71
Expenditure:				
Administrative expenses	147.33	99.38	78.70	50.31
Manpower	208.61	119.07	71.92	45.97
Cost of Study Material Consumed	21.84	17.90	23.76	21.26
Deferred Revenue Expenditure	0.69	0.75	0.83	0.23
Loss on sale of Shares of Associate Company (Rs.597/-)	0.00	-	-	-
Total expenditure	378.47	237.10	175.21	117.77
Earnings before interest, depreciation & tax	279.95	241.43	235.08	181.94
Interest and finance charges	0.33	1.83	0.47	0.02
Depreciation & amortisation	6.61	4.19	2.01	1.33
Profit before tax before prior period items	273.01	235.41	232.60	180.59
Provision for taxation				
Current tax	95.58	83.70	79.17	60.00
Deferred tax	(0.49)	1.21	0.23	0.30
Fringe benefit Tax	-	0.68	0.52	0.20
Profit after tax before prior period items	177.92	149.82	152.68	120.09
Add / (Less): Share of Profit / (Loss) of associate companies	(0.04)	0.04	(0.01)	0.00
Add / (Less): Minority Interest in Income / losses	0.04	0.04	0.03	0.00
Adjustment on account of prior period Items	-	-	-	-
Profit attributable for Shareholders	177.92	149.90	152.70	120.09

	For the Year ended			
Particulars	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Balance brought forward from previous year	339.47	189.57	36.87	10.68
Dividend on shares	-	-	-	7.61
Tax on dividend	-	-	-	1.29
Transfer to general reserve	-	-	-	85.00
Balance carried to balance sheet	517.39	339.47	189.57	36.87

The above Statements should be read with the Significant Accounting Policies and Notes to the Consolidated Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively.

Restated Consolidated Cash Flow Statement

(Amount in Rs. Million)

	Year Ended			
Particulars	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Cash Flows from Operating Activities				
Net Profit Before Taxation (before minority interest)	273.01	235.41	232.60	180.59
Adjustments for:				
Add / (Less):				
Depreciation	6.60	4.19	2.01	1.33
Share Issue Expenses Written Off	0.69	0.75	0.83	0.23
Interest Expenses	0.33	1.83	0.47	0.02
Provision for gratuity	1.83	0.29	0.72	-
Dividend Income	(18.58)	(2.38)	(2.86)	(1.06)
(Profit) / Loss on sale of shares / Investments	(3.07)	0.37	(2.56)	(0.54)
Interest Income	(17.43)	(17.72)	(21.37)	(7.22)
(Profit) / Loss on sale of fixed assets	-	(1.97)	(2.78)	0.44
Loss from Mutual Fund	-			
Bad Debts Written off	8.38			
Provision for Doubtful Debts	4.24			
Provision for Doubtful advances	1.75			
Security Forfeited	(1.67)			
Operating Profit before Working Capital Changes	256.08	220.77	207.06	173.79
(Increase)/Decrease in Trade and Other Receivables	4.43	(7.43)	(12.86)	0.14
(Increase)/Decrease in Inventories	1.06	(8.93)	(6.03)	(2.77)
(Increase)/Decrease in Other Current Assets	(131.99)	(81.51)	(54.02)	(167.35)
Increase/(Decrease) in Provisions	3.59	(0.46)	19.46	11.89
Increase/(Decrease) in Current Liabilities	1.29	18.27	17.19	60.16
Increase in Miscellaneous Expenditure	(12.63)			
Income- taxes paid	(100.04)	(80.16)	(59.71)	(6.90)
Net Cash Flow from/ (used in) Operating Activities	21.78	60.55	111.09	68.96

Particulars	Year Ended			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Cash Flow from Investing Activities				
Purchase of Fixed Assets (including CWIP)	(141.35)	(176.09)	(113.37)	(37.32)
Sale of Investment/(Investment) in Subsidiary	-	0.50	-	-
Sale/(Purchase) of Other Investments	(357.17)	(8.94)	17.92	(21.19)
Interest Received	17.43	17.72	21.37	7.22
Sale of Fixed Assets	-	15.02	4.45	-
Dividend Received	18.58	2.38	2.86	1.06
Loss From Mutual Fund	-	-	-	-
Net Cash Flow from/ (used in) Investing Activities	(462.51)	(149.41)	(66.77)	(50.23)
Cash Flow from Financing Activities				
Proceeds from Issue of Share Capital (including Premium)	600.00	-	52.80	59.81
Proceeds from Short Term Borrowings	-	52.19	-	23.81
Proceeds from Share Application Money Received	-	-	(5.19)	5.19
Repayment of Short Term Borrowings	(51.05)	(0.03)	(29.24)	-
Payment (to) / from Minority Interest	(1.21)	-	1.50	-
Interest on Loan	(0.33)	(1.83)	(0.47)	(0.02)
Share Issue Expenses Incurred	(12.14)	(0.53)	(3.55)	(1.43)
Dividend Paid	-	-	(7.61)	(1.71)
Corporate Dividend Tax paid	-	-	(1.29)	(0.24)
Net Cash Flow from/ (used in) Financing Activities	535.26	49.80	6.95	85.41
Net increase in cash and cash equivalents	94.53	(39.06)	51.27	104.14
Cash and Cash Equivalents (Opening Balance)	132.89	171.95	120.68	16.54
Cash and Cash Equivalents (Closing Balance)	227.42	132.89	171.95	120.68
Net increase in cash and cash equivalents	94.53	(39.06)	51.27	104.14

THE ISSUE

The following table summarizes the Issue details:

Issue:	[●] Equity Shares
Of which:	
Employee Reservation Portion*** Therefore,	65,000 Equity Shares
Net Issue	[●] Equity Shares
Out of the Net Issue:	
QIB Portion**:	At least [●] Equity Shares
Net QIB Portion**:	
Of which	
Mutual Funds	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion***:	Not less than [●] Equity Shares
Retail Portion***:	Not less than [●] Equity Shares
Equity Shares outstanding prior to the Issue:	14,420,297 Equity Shares
Equity Shares outstanding post the Issue:	[●] Equity Shares
Objects of the Issue:	See the section titled “ <i>Objects of the Issue</i> ” at page 81.

** Allocation to QIBs is proportionate as per the terms of this Red Herring Prospectus. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining Net QIB Portion. Further QIBs will not be allowed to withdraw their Bid cum Application Forms after 3.00 p.m. on the Bid/Issue Closing Date. In the event of under-subscription in the Mutual Fund Portion only, the unsubscribed portion would be added to the balance of the Net QIB Portion to be allocated on a proportionate basis to the QIB Bidders. Provided further that the Anchor Investors shall pay Anchor Investor Allocation Price at the time of submission of the Anchor Investor Bid. Any difference between the Anchor Investor Allocation Price and Anchor Investor Issue Price, shall be payable by the Anchor Investor by Anchor Investor Pay-in Date.

*** Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Non-Institutional Portion, and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of our Company, in consultation with the Book Running Lead Managers and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting at least 10% of the post-Issue capital of our Company. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith.

*** Eligible Employees, whose Bid Amount does not exceed Rs. 100,000 will be given a Eligible Employee Discount. However, they shall Bid within the Price Band and their Bid Amount shall be computed and must be deposited without factoring in the Eligible Employee Discount..

GENERAL INFORMATION

Our Company was incorporated on March 31, 2000, as a public limited company under the Companies Act.

Registered Office of our Company

Career Point Infosystems Limited

112B, Shakti Nagar
Kota – 324 009
Rajasthan, India
Tel: +91 744 2500492, 2500092
Fax: +91 744 2500892

Corporate Office of our Company

Career Point Infosystems Limited

CP Tower
Road No. 1, IPIA
Kota – 324 005
Rajasthan, India
Tel: +91 744 3040000
Fax: +91 744 3040000

For details of the changes to our Registered Office, please refer to the section titled “*History and Certain Corporate Matters*” at page 134.

Registration number

17-016272 of 1999-2000

Corporate Identification Number

U72200RJ2000PLC 016272

Address of the RoC

The Registrar of Companies
Corporate Bhawan, G/6-7
Second Floor, Residency Area, Civil Lines
Jaipur-302001
Rajasthan
India.

Our Board

Sr. No	Name, designation and occupation	Age (years)	Director's Identification Number	Address
1.	Mr. Pramod Maheshwari <i>Chairman, Managing Director and CEO</i> Executive and non-independent Director Occupation: Professional	39	00185711	112A, Shakti Nagar Kota – 324 009 Rajasthan India
2.	Mr. Om Prakash Maheshwari <i>Whole time Director and CFO</i>	41	00185677	112A, Shakti Nagar Kota – 324 009

Sr. No	Name, designation and occupation	Age (years)	Director's Identification Number	Address
	Executive and non-independent Director Occupation: Professional			Rajasthan India
3.	Mr. Nawal Kishore Maheshwari <i>Whole time Director</i> Executive and non-independent Director Occupation: Professional	35	00185762	112A, Shakti Nagar Kota – 324 009 Rajasthan India
4.	Mr. Pritam Kumar Goswami <i>Director</i> Non-executive and independent Director Occupation: Practicing chartered accountant	39	00082224	157, Aditya Awas Colony Police Lines Kota – 324 009 Rajasthan India
5.	Mr. Pawan Kumar Lalpuria <i>Director</i> Non-executive and independent Director Occupation: Practicing chartered accountant	43	02016032	A – 835, Pyramid House Indra Vihar Kota – 324000 Rajasthan India
6.	Mr. Ram Swaroop Chaudhary <i>Director</i> Non-executive and independent Director Occupation: Businessman	67	00711599	2-GA-5, Dadabari Kota – 324 009 Rajasthan India
7.	Mr. Arun Luharuka <i>Nominee Director</i> Non-executive and Non-independent Occupation: Service	40	02889091	704, B 3, Siddhi Vinayak Co-operative Housing Society Asha Nagar Western Express Highway Borivali (E), Mumbai – 400066 Maharashtra India.
8.	Mr. Dwarka Das Nihchal Das <i>Director</i> Non - executive and Independent Occupation: Professional	58	00202188	20/238, Sripura, Opposite Water Works Office Kota – 324 006 Rajasthan India

For further details of our Directors, see the section titled “*Our Management*” at page 144.

Company Secretary and Compliance Officer

Mr. Tarun Kumar Jain

Career Point Infosystems Limited
112B, Shakti Nagar
Kota – 324 009
Rajasthan, India
Tel: +91 744 2500492, 2500092
Fax: +91 744 2500892
Email: ipo@careerpointgroup.com

Investors can contact the Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary accounts and refund orders.

Book Running Lead Managers

Centrum Capital Limited

Centrum House, Vidya Nagari Marg
CST Road, Kalina, Santacruz (East)
Mumbai- 400 098
India
Tel: +91 22 4215 9000
Fax: +91 22 4215 9707
Email: careerpoint.ipo@centrum.co.in
Investor Grievance Id: igmbd@centrum.co.in
Website: www.centrum.co.in
Contact Person: Mr. Gaurav Saravgi / Ms. Amandeep Sidhu
SEBI Registration No. INM000010445

JM Financial Consultants Private Limited

141, Maker Chambers III
Nariman Point
Mumbai- 400 021
India
Tel: +91 22 6630 3030
Fax: +91 22 2204 7185
Email: cpil.ipo@jmfinancial.in
Investor Grievance Id: grievance.ibd@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Ms. Lakshmi Lakshmanan
SEBI Registration No. INM000010361

Syndicate Member

JM Financial Services Private Limited

Apperjay House, 3rd Floor
Dinshaw Vachha Road, Churchgate
Mumbai- 400 020
India
Tel: +91 22 6704 3184/85
Fax: +91 22 6654 1511
Email: deepak.vaidya@jmfinancial.in, TN.kumar@jmfinancial.in
Website: www.jmfinancial.in
Contact Person: Mr. Deepak Vaidya/ Mr. T. N. Kumar
SEBI Registration No.: NSE SEBI Reg No: INB 231054835 and BSE SEBI Reg No. INB 011054831

Legal advisors to the Issue

Luthra and Luthra Law Offices

704-706, 7th floor, Embassy Centre
Nariman Point
Mumbai- 400 021
Tel: +91 22 6630 3600
Fax: + 91 22 6630 3700
E-mail: mumbai@luthra.com

Registrar to the Issue

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai - 400 078
Maharashtra, India
Tel: +91 22 2596 0320
Fax: +91 22 2596 0329
Website: www.linkintime.co.in
Email: cpil.ipo@linkintime.co.in
Contact Person: Mr. Sachin Achar
SEBI Registration No. INR000004058

Self Certified Syndicate Banks

The list of banks who have been notified by SEBI to act as SCSBs are provided at <http://www.sebi.gov.in>

Bankers to the Issue

ICICI Bank Limited

Capital Market Division
30, Mumbai Samachar Marg
Raja Bhadur Mansion, Fort
Mumbai - 400 001
Maharashtra, India
Tel: +91 22 6631 0312
Fax: +91 22 2261 1138
Email: viral.bharani@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Viral Bharani
SEBI Registration No.: INBI000000004

Deutsche Bank AG

1st Floor, Kodak House
Dr. D. N. Road, Fort
Mumbai - 400 001
Maharashtra, India
Tel: +91 22 6658 4000/4045
Fax: +91 22 2207 6553
Email: shyamal.malhotra@db.com
Website: <http://www.deutschebank.co.in/>
Contact Person: Mr. Shyamal Malhotra
SEBI Registration No.: INBI000000003

Refund Banker(s)**ICICI Bank Limited**

Capital Market Division
 30, Mumbai Samachar Marg
 Mumbai -400 001
 Maharashtra, India
 Tel: +91 22 6631 0312
 Fax: +91 22 2261 1138
 Email: venkataraghvan.t@icicibank.com
 Website: www.icicibank.com
 Contact Person: Mr. Venkataraghavan T A
 SEBI Registration No.: INBI000000004

Bankers to our Company

ICICI Bank Limited 18, Jhalawar Road Kota – 324007, Rajasthan Tel: +91 744 2390319 Fax: +91 744 2390319 Email: kumarg@icicibank.com	HDFC Bank Limited Show Room No 13-14, Jhalawar Road Kota – 324007, Rajasthan Tel: +91 744 2391692 Fax: +91 744 2391690 Email: nitin.daga@hdfcbank.com
State Bank of India LIC Building, Chawani Chouraha Kota – 324007, Rajasthan Tel: +91 744 2390725 Fax: +91 744 2390473 Email: sbi.01534@sbi.co.in	The Bank of Rajasthan Limited B.O. Industrial Estate, Arodrom Circle Kota - 324007, Rajasthan Tel: +91 744 2362284 Fax: +91 744 2362284 Email: iekota@rajbank.com
Punjab National Bank Industrial State, Aerodrom Circle Kota – 324009, Rajasthan Tel: +91 744 2363803 Fax: +91 744 2366207 Email: bo0726@pnb.co.in	State Bank of Patiala 655, CAD Circle, Pratap Nagar Kota – 324009, Rajasthan Tel: +91 744 2500516, 2501068 Fax: +91 744 2500224 Email: b55586@sbp.co.in
Union Bank of India 176, Vishveshvariyanagar Branch Near Rastriya Sanskrit Sansthan Gopalpura Bypass Jaipur – 302018, Rajasthan Tel: +91 141 2761791 Email: CBS-vnagar@unionbankofindia.com	Yes Bank Limited Green House, C Scheme Ashok Marg Jaipur- 302003, Rajasthan Tel: +91 9587252000 Fax: +91 141 3983800 Email: Sachin.gautam@yesbank.in

Auditors to our Company**Sharp & Tannan**

Chartered Accountants
 Delhi Stock Exchange Building
 3/1, Asaf Ali Road
 New Delhi – 110 002, India
 Tel: +91 11 23279809
 Fax: +91 11 23264419
 Email: contact@stdelhi.com

Responsibilities of the BRLMs

The Book Running Lead Managers shall be responsible for the following:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.	BRLMs	Centrum
2.	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, ROC and SEBI including finalisation of Prospectus and ROC filing.	BRLMs	Centrum
3.	Drafting and approval of all statutory advertisement	BRLMs	Centrum
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including corporate advertisement, brochure etc.	BRLMs	Centrum
5.	Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency and Bankers to the Issue	BRLMs	Centrum
6.	Institutional Marketing strategy * Preparation of Road show presentation * Finalise the list and division of investors for one to one meetings, in consultation with the Company, and * Finalizing the International road show schedule and investor meeting schedules	BRLMs	JM Financial
7.	Non-Institutional and Retail marketing of the Issue, which will cover, inter alia, * Formulating marketing strategies, preparation of publicity budget * Finalise Media and PR strategy * Finalising centers for holding conferences for press and brokers * Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material	BRLMs	Centrum
8.	Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading.	BRLMs	JM Financial
9.	Finalisation of Pricing, in consultation with the Company	BRLMs	Centrum
10.	The post bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Issue activities for the Issue involving essential follow up steps, which include the finalisation of trading and dealing of instruments and demat of delivery of shares, with the various agencies connected with the work such as the registrar's to the Issue and Bankers to the Issue, SCSBs and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.	BRLMs	Centrum
11.	In case of under-subscription in an Issue, invoking underwriting obligations and ensuring that the notice for devolvement containing the obligations of the underwriters is issued.	BRLMs	Centrum

Credit rating

As this is an Issue of equity shares, credit rating is not required for this Issue.

IPO Grading Agency**Credit Analysis & Research Limited**

4th Floor, Godrej Colisuem,
Somaiya Hospital, Off Eastern Express Highway,
Sion (East), Mumbai – 400 022
Tel: +91 22 67543434
Fax: +91 22 67543457
Contact Person: Mr. Gaurav Dixit
Email id: gaurav.dixit@careratings.com

IPO Grading

This Issue has been graded by Credit Analysis & Research Limited and has been assigned the “CARE IPO Grade 3 indicating average fundamentals through its letters dated August 25, 2010 and April 19, 2010 . The initial public offer grading is assigned on a five point scale from 1 to 5 with an “IPO Grade 5” indicating strong fundamental and an “IPO Grade 1” indicating poor fundamentals. A copy of the report provided by Credit Analysis & Research Limited, furnishing the rationale for its grading shall be annexed to this Red Herring Prospectus and will be available for inspection at our Registered office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date. We have not obtained IPO Grading from any other agency.

Trustees

As this is an Issue of equity shares, the appointment of trustees is not required.

Monitoring Agency

As the Issue size will not exceed Rs. 5,000 million, the appointment of Monitoring Agency would not be required under Regulation 16 of the SEBI Regulations.

Appraising Entity

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

Book Building Process

Book building refers to the collection of Bids from investors, on the basis of the Red Herring Prospectus and the Bid-cum-Application forms. The principal parties involved in the Book Building Process are:

1. our Company;
2. the Book Running Lead Managers;
3. Syndicate Member who are intermediaries registered with SEBI or registered as brokers with any of the Stock Exchanges and eligible to act as underwriters. Syndicate Member are appointed by the Book Running Lead Managers;
4. Registrar to the Issue;
5. Bankers to the Issue; and
6. SCSBs.

In terms of Rule 19(2)(b) of the SCRR, the Issue being less than 25% of post Issue capital, the Issue is being made through Book Building Process wherein at least 60% of the Net Issue shall be allocated on a

proportionate basis to QIBs. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

While the Book Building Process under the SEBI Regulations is not new and is subject to change, investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue. Under the SEBI Regulations, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details, please refer to the section “Issue Structure” at page 243.

Steps to be taken by the Bidders for making a Bid or application in this Issue:

- Check eligibility for making a Bid. For further details, see the section titled “Issue Procedure” at page 248. Specific attention of ASBA Bidders is invited to the section titled “Issue Procedure– Payment Mechanism for ASBA Bidders” at page 268.
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;
- Ensure that the Bid cum Application Form or ASBA Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
- Ensure that you have mentioned your PAN in the Bid cum Application Form or ASBA Form (see the section titled “Issue Procedure” at page 271);
- Ensure the correctness of your Demographic Details (as defined in the section titled “Issue Procedure – General Instructions” at page 263), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant;
- Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA is not rejected; and
- Bids by QIBs (including Anchor Investors) will only have to be submitted to members of the Syndicate.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue)

Bidders can bid at any price within the Price Band. For instance, assuming a price band of Rs. 20 to Rs. 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above

example. The issuer, in consultation with Book Running Lead Managers, will finalise the issue price at or below such cut-off, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Withdrawal of this Issue

Our Company, in consultation with the Book Running Lead Managers, reserves the right not to proceed with the Issue in accordance with SEBI Regulations. Provided, if our Company withdraws the Issue after the Bid/Issue Closing Date, we will give the reason thereof within two days of the Bid/Issue Closing Date by way of a public notice in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges shall also be informed promptly. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Bid/Issue Programme

Bidding Period

BID/ISSUE OPENING DATE	SEPTEMBER 16, 2010*
BID/ISSUE CLOSING DATE	SEPTEMBER 21, 2010**

**The Anchor Investor Bidding Date shall be one day prior to the Bid/Issue Opening Date.*

***The Bidding for QIBs shall close one day prior to the Bid/Issue Closing Date.*

Our Company may consider participation by Anchor Investors in terms of the SEBI Regulations.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time)** during the Bidding/Issue Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid/Issue Closing Date** (which for the QIBs Bidding under the Net QIB Portion will be a day prior to that of the other non Anchor Investor Bidders), **Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion where the Bid Amount is up to Rs. 100,000, which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Managers to the Stock Exchanges within half an hour of such closure. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m.(Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings in India, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will only be accepted on Working Days. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic ASBA Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

Our Company, in consultation with the Book Running Lead Managers, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations provided that the Cap Price should not be more than 20% of the Floor Price. Subject to compliance with the above mentioned condition, the Floor Price can move up or down to the extent of 20% of the Floor Price advertised atleast one day before the Bid/Issue Opening Date.

In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days after revision of Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the SCSBs and the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and at the terminals of the Syndicate Member.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with RoC, our Company will enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Member do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions precedent to closing, as specified therein.

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

Name and Address of the Underwriters	Indicative number of Equity Shares to be underwritten*	Amount underwritten* (Rs. million)
Book Running Lead Managers		
Centrum Capital Limited Centrum House, Vidya Nagari Marg CST Road, Kalina, Santacruz (East) Mumbai – 400 098, Maharashtra, India	[•]	[•]
JM Financial Consultants Private Limited 141, Maker Chambers III Nariman Point Mumbai- 400 021 India	[•]	[•]
Syndicate Member		
JM Financial Services Private Limited Appejay House, 3 rd Floor Dinshaw Vachha Road Churchgate Mumbai 400 020 India	[•]	[•]
Total	[•]	[•]

** To be filled in before filing of the Prospectus with RoC*

The above mentioned amount is provided for indicative purposes only and will be finalised after determination of Issue Price and actual allocation of the Equity Shares. The Underwriting Agreement is dated [•], 2010.

In the opinion of the Board of Directors (based on certificates dated [•], 2010 given to them by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the stock exchanges. The above Underwriting Agreement has been accepted by the Board of Directors and our Company has issued letters of acceptance to the Underwriters.

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

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Red Herring Prospectus, is set forth below:

		Aggregate Value at nominal value (in Rs.)	Aggregate Value at Issue Price (in Rs.)
A)	AUTHORISED SHARE CAPITAL^(a)		
	25,000,000 Equity Shares	250,000,000	
B)	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
	14,420,297 Equity Shares	144,202,970	
C)	PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS^(b)		
	[•] Equity Shares aggregating upto Rs. 1,150 million	[•]	[•]
	Out of which:		
	i) Employee Reservation Portion Upto 65,000 Equity Shares	650,000	[•]
	ii) Net Issue [•] Equity Shares	[•]	[•]
D)	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE		
	[•] Equity Shares	[•]	[•]
E)	SECURITIES PREMIUM ACCOUNT		
	Before the Issue	670,326,337.32	-
	After the Issue	[•]	

^(a) Given below are the dates and the manner in which the authorized share capital has increased:

- (i) The initial authorized share capital of our Company was Rs. 100,000 divided into 10,000 Equity Shares. It was increased to Rs. 500,000 comprising of 50,000 Equity Shares pursuant to a shareholders' resolution dated September 30, 2002.
- (ii) The authorized share capital of Rs. 500,000 of our Company was increased to Rs. 10,000,000 comprising 1,000,000 Equity Shares pursuant to a shareholders' resolution dated March 06, 2003.
- (iii) The authorized share capital of Rs. 10,000,000 of our Company was increased to Rs. 11,500,000 comprising 1,150,000 Equity Shares pursuant to a shareholders' resolution dated December 31, 2004.
- (iv) The authorized share capital of Rs. 11,500,000 of our Company was increased to Rs. 46,500,000 comprising 4,650,000 Equity Shares pursuant to a shareholders' resolution dated August 10, 2006.
- (v) The authorized share capital of Rs. 46,500,000 of our Company was increased to Rs. 131,500,000 comprising 13,150,000 Equity Shares pursuant to a shareholders resolution dated December 26, 2006.
- (vi) The authorized share capital of Rs. 131,500,000 of our Company was increased to Rs. 250,000,000 comprising 25,000,000 Equity Shares pursuant to a shareholders' resolution dated November 12, 2007.

^(b) The Issue has been authorized by a resolution of our Board dated January 1, 2010 and by a special resolution passed pursuant to Section 81(1A) of the Companies Act, at an extra-ordinary general meeting of the shareholders of our Company held on January 5, 2010.

Notes to the Capital Structure

1. Share Capital History:

(a) Equity Share capital history of our Company

Date of Allotment / fully paid up	Number of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Equity Share Capital (Rs)	Cumulative Share Premium (Rs)
April 3, 2000	700	10	10	Cash	Initial allotment to subscription to the Memorandum to the following: Mr. Pramod Maheshwari; Mr. Om Prakash Maheshwari; Mr. Nawal Kishore Maheshwari; Mr. Gulabchand Maheshwari; Ms. Kailash Bai Maheshwari; Ms. Neelima Maheshwari; and Ms. Shilpa Maheshwari	700	7,000	Nil
December 2, 2002	49,300	10	10	Cash	Preferential allotment to Mr. Pramod Maheshwari; Mr. Om Prakash Maheshwari; Mr. Nawal Kishore Maheshwari; Mr. Gulabchand Maheshwari; Ms. Kailash Bai Maheshwari; Ms. Neelima Maheshwari; Ms. Shilpa Maheshwari; and Ms. Rekha Maheshwari	50,000	500,000	Nil
March 31, 2003	64,000	10	100	Cash	Preferential allotment to Mr. Pramod Maheshwari; Mr. Om Prakash	114,000	1,140,000	5,760,000

Date of Allotment / fully paid up	Number of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Equity Share Capital (Rs)	Cumulative Share Premium (Rs)
					Maheshwari; Mr. Nawal Kishore Maheshwari; Mr. Gulabchand Maheshwari; Ms. Kailash Bai Maheshwari; Ms. Neelima Maheshwari; Ms. Shilpa Maheshwari; and Ms. Rekha Maheshwari			
December 31, 2004	1,026,000	10	NIL	Bonus issue	Bonus issue in the ratio of 9:1 to Mr. Pramod Maheshwari; Mr. Om Prakash Maheshwari; Mr. Nawal Kishore Maheshwari; Mr. Gulabchand Maheshwari; Ms. Kailash Bai Maheshwari; Ms. Neelima Maheshwari; Ms. Shilpa Maheshwari; and Ms. Rekha Maheshwari	1,140,000	11,400,000	5,760,000
August 10, 2006	2,280,000	10	NIL	Bonus issue	Bonus issue in the ratio of 2:1 to Mr. Pramod Maheshwari; Mr. Om Prakash Maheshwari; Mr. Nawal Kishore Maheshwari; Mr. Gulabchand	3,420,000	34,200,000	5,760,000

Date of Allotment / fully paid up	Number of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Equity Share Capital (Rs)	Cumulative Share Premium (Rs)
					Maheshwari; Ms. Kailash Bai Maheshwari; Ms. Neelima Maheshwari; Ms. Shilpa Maheshwari; and Ms. Rekha Maheshwari			
December 26, 2006	1,140,000	10	NIL	Bonus issue	Bonus issue in the ratio of 1:3 to Mr. Pramod Maheshwari; Mr. Om Prakash Maheshwari; Mr. Nawal Kishore Maheshwari; Mr. Gulabchand Maheshwari; Ms. Kailash Bai Maheshwari; Ms. Neelima Maheshwari; Ms. Shilpa Maheshwari; and Ms. Rekha Maheshwari	4,560,000	45,600,000	5,760,000
January 21, 2007	511,200	10	117	Cash	Preferential allotment to Mr. Vikas Singhi; Mr. Prayas Singhi; and M/s Volrado Venture Partners	5,071,200	50,712,000	60,458,400
June 10, 2007	6,846,120	10	NIL	Bonus issue	Bonus issue in the ratio of 27:20 to Mr. Pramod Maheshwari; Mr. Om Prakash Maheshwari; Mr. Nawal Kishore Maheshwari;	11,917,320	119,173,200	60,458,400

Date of Allotment / fully paid up	Number of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Equity Share Capital (Rs)	Cumulative Share Premium (Rs)
					Mr. Gulabchand Maheshwari; Ms. Kailash Bai Maheshwari; Ms. Neelima Maheshwari; Ms. Shilpa Maheshwari; Ms. Rekha Maheshwari; Mr. Vikas Singhi; Mr. Prayas Singhi; and M/s Volrado Venture Partners			
October 31, 2007	90,000	10	320	Unsecured loan*	Preferential allotment to Mr. Pramod Maheshwari; Mr. Om Prakash Maheshwari; and Mr. Nawal Kishore Maheshwari	12,007,320	120,073,200	88,358,400
March 25, 2008	60,000	10	400	Cash	Preferential allotment to Ms. Ashriya Banu; Mr. Sohan Lal Chandgothia; Mr. Sonu Maheshwari; Mr. Trilok Chand Maheshwari; Mr. Ramesh Chand Maheshwari; Mr. Kushal Kishore Maheshwari; Mr. Yugal Kishore Maheshwari; Ms. Shalini Bhandari; Ms. Shweta Maheshwari;	12,067,320	120,673,200	111,758,400

Date of Allotment / fully paid up	Number of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consi derati on	Reasons for Allotment	Cumulative number of Equity Shares	Cumulative Equity Share Capital (Rs)	Cumulative Share Premium (Rs)
					Ms. Nisha Taparia; Ms. Kaushalya Devi Taparia; Mr. Ravi Prakash Taparia; M/s Rubymerry Enterprises Limited; Mr. Vishal Maheshwari; Ms. Neetu Maheshwari; Mr. Rahul Nyati; Ms. Piyusha Nyati; M/s Swastika Polyolefins Private Limited; Ms. Shyamadevi Partani; and Ms. Shilpa Agal			
July 27, 2009	2,011,264	10	248.60	Cash	Preferential allotment to FTPEs	14,078,584	140,785,840	591,645,990.40
January 7, 2010	341,713	10	292.64	Cash	Preferential allotment to Mr. Nadathur Srinivasa Raghvan, for and on behalf of Kalpa Partners	14,420,297	144,202,970	688,227,752.72

* These Equity Shares have been issued in lieu of an unsecured loan of Rs. 9,600,000 advanced by each of the three Promoters to our Company.

2. Promoter and Promoter Group Build up, Contribution and Lock-in

a) History of the Share Capital held by the Promoters

Name of the Promoters	Date of Allotment/ fully paid up/transfer	No. of Equity Shares	Face Value (Rs.)	Issue/ Transfer Price per Equity Share (Rs.)	Nature of Consideration	Reason for Allotment / Transfer
Mr. Pramod Maheshwari	April 3, 2000	100	10	10	Cash	Initial allotment on subscription to the

Name of the Promoters	Date of Allotment/ fully paid up/transfer	No. of Equity Shares	Face Value (Rs.)	Issue/ Transfer Price per Equity Share (Rs.)	Nature of Consideration	Reason for Allotment / Transfer
						Memorandum
	December 2, 2002	6150	10	10	Cash	Preferential allotment
	March 31, 2003	8000	10	100	Cash	Preferential allotment
	December 31, 2004	128,250	10	NIL	Bonus	Bonus issue
	August 10, 2006	285,000	10	NIL	Bonus	Bonus issue
	December 26, 2006	142,500	10	NIL	Bonus	Bonus issue
	June 10, 2007	769,500	10	NIL	Bonus	Bonus issue
	October 31, 2007	30,000	10	320	Cash	Preferential allotment in satisfaction of loan*
	August 28, 2008	1,000	10	400	Cash	Transfer from Ms. Shilpa Agal
	August 28, 2008	13,400	10	400	Cash	Transfer from M/s Rubymerry Enterprises Private Limited
	November 20, 2008	1,000	10	400	Cash	Transfer from Mr. Kushal Kishore Maheshwari
	November 20, 2008	1,000	10	400	Cash	Transfer from Ms. Shweta Maheshwari
	November 20, 2008	1,000	10	400	Cash	Transfer from Ms. Nisha Taparia
	January 5, 2009	1,000	10	400	Cash	Transfer from Ms. Neetu Maheshwari
	January 5, 2009	1,000	10	400	Cash	Transfer from Mr. Vishal Maheshwari
	February 16, 2009	2,500	10	400	Cash	Transfer from Mr. Sohan Lal Chandgothia
	May 6, 2009	1,300	10	400	Cash	Transfer from Ms. Ashriya Banu
	May 6, 2009	500	10	400	Cash	Transfer from Ms. Shalini Bhandari
<i>Sub-total</i>		1,393,200				
Mr. Om Prakash Maheshwari	April 3, 2000	100	10	10	Cash	Initial allotment on subscription to the Memorandum
	December 2, 2002	6,150	10	10	Cash	Preferential allotment
	March 31, 2003	8,000	10	100	Cash	Preferential allotment
	December 31, 2004	128,250	10	NIL	Bonus	Bonus issue
	August 10, 2006	285,000	10	NIL	Bonus	Bonus issue
	December 26, 2006	142,500	10	NIL	Bonus	Bonus issue
	June 10, 2007	769,500	10	NIL	Bonus	Bonus issue
	October 31, 2007	30,000	10	320	Cash	Preferential allotment in satisfaction of loan*

Name of the Promoters	Date of Allotment/ fully paid up/transfer	No. of Equity Shares	Face Value (Rs.)	Issue/ Transfer Price per Equity Share (Rs.)	Nature of Consideration	Reason for Allotment / Transfer
	August 28, 2008	13,300	10	400	Cash	Transfer from M/s Rubymerry Enterprises Private Limited
	November 20, 2008	1000	10	400	Cash	Transfer from Mr. Yugal Kishore Maheshwari
	November 20, 2008	500	10	400	Cash	Transfer from Ms. Sonu Maheshwari
	November 20, 2008	1000	10	400	Cash	Transfer from Ms. Shyama Devi Partani
	January 5, 2009	1000	10	400	Cash	Transfer from Mr. Rahul Nyati
<i>Sub-total</i>		1,386,300				
Mr. Nawal Kishore Maheshwari	April 3, 2000	100	10	10	Cash	Initial allotment on subscription to the Memorandum
	December 2, 2002	6150	10	10	Cash	Preferential allotment
	March 31, 2003	8,000	10	100	Cash	Preferential allotment
	December 31, 2004	128,250	10	NIL	Bonus	Bonus issue
	August 10, 2006	285,000	10	NIL	Bonus	Bonus issue
	December 26, 2006	142,500	10	NIL	Bonus	Bonus issue
	June 10, 2007	769,500	10	NIL	Bonus	Bonus issue
	October 31, 2007	30,000	10	320	Cash	Preferential allotment in satisfaction of loan*
	August 28, 2008	13,300	10	400	Cash	Transfer from M/s Rubymerry Enterprises Private Limited
	November 20, 2008	300	10	400	Cash	Transfer from M/s Ravi Prakash Taparia
	November 20, 2008	500	10	400	Cash	Transfer from Mr. Trilokchand Maheshwari
	November 20, 2008	200	10	400	Cash	Transfer from Ms. Kaushalya Devi Taparia
	November 20, 2008	1000	10	400	Cash	Transfer from Mr. Ramesh Chand Maheshwari
	January 5, 2009	1000	10	400	Cash	Transfer from Ms. Piyusha Nyati
<i>Sub-total</i>		1,385,800				

* These Equity Shares have been issued in lieu of an unsecured loan of Rs. 9,600,000 advanced by each of the three Promoters to our Company.

b) Details of Promoters' contribution to be locked-in for three years

Pursuant to SEBI Regulations, an aggregate of 20% of the Promoters post-Issue share capital shall be locked-in for a period of three years. The details of such lock-in are given below:

Name of the Promoter	Date on which Equity Shares were allotted	Nature of payment / consideration	No. of Equity Shares locked-in	Percentage of post-Issue Capital
Mr. Pramod Maheshwari	[•]	[•]	[•]	[•]
Mr. Om Prakash Maheshwari	[•]	[•]	[•]	[•]
Mr. Nawal Kishore Maheshwari	[•]	[•]	[•]	[•]
Total	[•]	[•]	[•]	[•]

Our Promoters have, by a written undertaking dated February 23, 2010, given consent to include such number of Equity Shares held by them, as may constitute 20% of post-Issue equity share capital of our Company to be considered towards Promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**").

The Promoters have pursuant to their undertaking dated February 23, 2010, agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Equity Shares forming part of the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above.

Whilst the Issue size, aggregating to Rs. 1,150 million, is proposed to be more than 10% and less than 25% of the fully diluted post-Issue capital, the actual number of Equity Shares that would be offered in the Issue cannot be determined at this stage. The Company would be able to estimate the number of Equity Shares to be offered in the Issue on finalization of the Issue Price. Consequently, the Company cannot determine the number of Equity Shares that are required to be offered by each of the Promoters towards minimum promoters' contribution at this stage. However, following is the tabular representation of such Equity Shares held by the Promoters, which are eligible for minimum promoters' contribution in terms of the SEBI Regulations:

Sl. No.	Name of the Promoter	Number of eligible Equity Shares
1.	Mr. Pramod Maheshwari	1,393,200
2.	Mr. Om Prakash Maheshwari	1,386,300
3.	Mr. Nawal Kishore Maheshwari	1,385,800

Further, we undertake to update the exact details of the number of Equity Shares forming part of Promoters' Contribution at the time of filing of the Prospectus with the RoC.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters under the SEBI Regulations. All Equity Shares which are to be locked-in as Promoters' Contribution are eligible for computation of promoters' contribution in accordance with the SEBI Regulations. In relation to this, we confirm:

1. The Equity Shares to be considered as the Promoters' Contribution:
 - (a) have not been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets and have not been issued against shares, which are otherwise ineligible for promoters' contribution;
 - (b) are not resulting from a bonus issue, out of revaluation of reserves or reserves created without accrual of cash resources or against equity shares which are otherwise ineligible

- for computation of promoters' contribution;
- (c) are not subject to any pledge or any other encumbrance; and
- (d) are not arising out of securities acquired during the preceding year, at a price lower than the Issue Price except bonus shares not covered in para (b) above;

2. Our Company has not been formed by conversion of a partnership firm into a company.

As per the SEBI Regulations, the Equity Shares towards the Promoters' Contribution during the lock-in period can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by and the pledge of the Equity Shares is one of the terms of the sanction of such loans. Further such a loan should have been granted for the purpose of financing one or more of the objectives of this Issue. For further details regarding the objects of this Issue, see the section titled "*Objects of the Issue*" at page 81.

c) Build up of shareholding of Promoter Group:

Set forth below are details of the build-up of the shareholding of our Promoter Group:

Name of the member of our Promoter Group	Date of Acquisition/ Transfer	Nature of Consideration	No. of Equity Shares	Issue/ Acquisition Price (Rs. per Equity Share)	% of Post-Issue paid-up Capital	Nature of Transaction
Mr. Gulab Chand Maheshwari	April 3, 2000	Cash	100	10	[●]	Initial allotment on subscription to the Memorandum
	December 2, 2002	Cash	6,150	10	[●]	Preferential allotment
	March 31, 2003	Cash	8,000	100	[●]	Preferential allotment
	December 31, 2004	Nil	128,250	Nil	[●]	Bonus issue
	September 10, 2006	Nil	285,000	Nil	[●]	Bonus issue
	December 26, 2006	Nil	142,500	Nil	[●]	Bonus issue
	June 10, 2007	Nil	769,500	Nil	[●]	Bonus issue
<i>Sub-total</i>			1,339,500			
Ms. Kailash Bai Maheshwari	April 3, 2000	Cash	100	10	[●]	Initial allotment on subscription to the Memorandum
	December 2, 2002	Cash	6,150	10	[●]	Preferential allotment
	March 31, 2003	Cash	8,000	100	[●]	Preferential allotment
	December 31, 2004	Nil	128,250	Nil	[●]	Bonus issue
	September 10, 2006	Nil	285,000	Nil	[●]	Bonus issue
	December 26, 2006	Nil	142,500	Nil	[●]	Bonus issue
	June 10, 2007	Nil	769,500	Nil	[●]	Bonus issue

Name of the member of our Promoter Group	Date of Acquisition/ Transfer	Nature of Consideration	No. of Equity Shares	Issue/ Acquisition Price (Rs. per Equity Share)	% of Post-Issue paid-up Capital	Nature of Transaction
<i>Sub-total</i>			1,339,500			
Ms. Neelima Maheshwari	April 3, 2000	Cash	100	10	[●]	Initial allotment on subscription to the Memorandum
	December 2, 2002	Cash	6,150	10	[●]	Preferential allotment
	March 31, 2003	Cash	8,000	100	[●]	Preferential allotment
	December 31, 2004	Nil	128,250	Nil	[●]	Bonus issue
	September 10, 2006	Nil	285,000	Nil	[●]	Bonus issue
	December 26, 2006	Nil	142,500	Nil	[●]	Bonus issue
	June 10, 2007	Nil	769,500	Nil	[●]	Bonus issue
<i>Sub - total</i>			1,339,500		[●]	
Ms. Shilpa Maheshwari	April 3, 2000	Cash	100	10	[●]	Initial allotment on subscription to the Memorandum
	December 2, 2002	Cash	6,150	10	[●]	Preferential allotment
	March 31, 2003	Cash	8,000	100	[●]	Preferential allotment
	December 31, 2004	Nil	128,250	Nil	[●]	Bonus issue
	September 10, 2006	Nil	285,000	Nil	[●]	Bonus issue
	December 26, 2006	Nil	142,500	Nil	[●]	Bonus issue
	June 10, 2007	Nil	769,500	Nil	[●]	Bonus issue
<i>Sub-total</i>			1,339,500		[●]	
Ms. Rekha Maheshwari	December 2, 2002	Cash	6,250	10	[●]	Preferential allotment
	March 31, 2003	Cash	8,000	100	[●]	Preferential allotment
	December 31, 2004	Nil	128,250	Nil	[●]	Bonus issue
	September 10, 2006	Nil	285,000	Nil	[●]	Bonus issue
	December 26, 2006	Nil	142,500	Nil	[●]	Bonus issue
	June 10, 2007	Nil	769,500	Nil	[●]	Bonus issue
<i>Sub-total</i>			1,339,500		[●]	
Rubymerry Enterprises Private	March 25, 2008	Cash	40,000	400	[●]	Preferential allotment

Name of the member of our Promoter Group	Date of Acquisition/ Transfer	Nature of Consideration	No. of Equity Shares	Issue/ Acquisition Price (Rs. per Equity Share)	% of Post-Issue paid-up Capital	Nature of Transaction
Limited	August 28, 2008	Cash	(13,400)	400	[●]	Transfer to Mr. Pramod Maheshwari
	August 28, 2008	Cash	(13,300)	400	[●]	Transfer to Mr. Om Prakash Maheshwari
	August 28, 2008	Cash	(13,300)	400	[●]	Transfer to Mr. Nawal Kishore Maheshwari
<i>Sub-total</i>			NIL		NIL	
Mr. Vishal Maheshwari	March 25, 2008	Cash	1000	400	[●]	Preferential allotment
	January 5, 2009	Cash	(1,000)	400	[●]	Transfer to Mr. Pramod Maheshwari
<i>Sub-total</i>			NIL		NIL	
Ms. Neetu Maheshwari	March 25, 2008	Cash	1,000	400	[●]	Preferential allotment
	January 5, 2009	Cash	(1,000)	400	[●]	Transfer to Mr. Pramod Maheshwari
<i>Sub-total</i>			NIL		NIL	
Mr. Rahul Nyati	March 25, 2008	Cash	1,000	400	[●]	Preferential allotment
	January 5, 2009	Cash	(1,000)	400	[●]	Transfer to Mr. Om Prakash Maheshwari
<i>Sub-total</i>			NIL		NIL	
Swastika Polyolefins Private Limited	March 25, 2008	Cash	3,200	400	[●]	Preferential allotment
<i>Sub-total</i>			3,200		[●]	
Total			6,700,700		[●]	

d) Equity Shares locked – in for one year

Pursuant to Regulation 37(b) of the SEBI Regulations, 1,001,100 Equity Shares, held by Volrado Venture Partners, shall not be subject to lock-in under the SEBI Regulations.

Other than the Promoters' Contribution which is locked in for three years and Equity Shares held by Volrado Venture Partners which is not subject to lock-in as specified above, our entire pre-Issue equity share capital consisting of [●] Equity Shares will be locked-in for a period of one year from the date of Allotment.

e) Inter-se transfer of locked in Equity Shares

The locked-in Equity Shares held by the Promoters may be pledged with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institutions, provided the pledge of such shares is one of the terms of sanction of loan and the loan has been granted by such banks or financial institutions for the purpose of financing one or more of

the objects of the Issue. For further details in relation to objects of the Issue, see section “*Objects of the Issue*” at page 81.

The Equity Shares held by persons other than the Promoters, prior to the Issue, which are locked-in for a period one year from the date of Allotment as mentioned above may be transferred to any other person holding the Equity Shares which are similarly locked-in for one year, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code, as applicable.

Further, Equity Shares held by the Promoters, which are locked-in as per the Regulation 40 of the SEBI Regulations, may be transferred to and amongst the Promoters/Promoter Group or to a new Promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

Furthermore, the Equity Shares subject to lock-in will be transferable, subject to compliance with the SEBI Regulations, including the provisions for lock-in, as amended from time to time.

f) Our shareholding pattern

The table below presents the shareholding pattern of our Company before the proposed Issue and as adjusted for the Issue:

Description	Pre Issue						Post Issue			
	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares (A+B)	Shares pledge or otherwise encumbered		Total number of Equity Shares	Total shareholding as a % of total number of Equity Shares	Shares pledge or otherwise encumbered	
					Number of shares	As a %			Number of shares	As a %
Shareholding of Promoter and Promoter Group (A)										
Indian										
Individuals/Hindu Undivided Family	8	10,862,800	NIL	75.33	NIL	NIL	[●]	[●]	[●]	[●]
Central Government/State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]
Bodies Corporate	1	3,200	NIL	0.02	NIL	NIL	[●]	[●]	[●]	[●]
Financial Institutions/Banks	NIL	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]
Any Other	NIL	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]
Foreign							[●]	[●]	[●]	[●]
Individuals (Non-Resident Individuals/Foreign Individuals)	NIL	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]
Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	[●]	[●]	[●]	[●]

(OCB)										
Institutions/FII	NIL	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]
Any Other	NIL	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]
Total Shareholding of Promoter and Promoter Group (A)	9	10,866,000	NIL	75.35	NIL	NIL	[•]	[•]	[•]	[•]
Public shareholding (B)										
Institutions (B1)										
Mutual Funds/ UTI	NIL	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]
Financial Institutions / Banks	NIL	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]
Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]
Foreign Institutional Investors	NIL	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]
Foreign Venture Capital Investor	NIL	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]
Venture Capital Fund	1	1,001,100	NIL	6.94	NIL	NIL	[•]	[•]	[•]	[•]
Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]
Sub-Total (B)(1)	1	1,001,100	NIL	6.94	NIL	NIL	[•]	[•]	[•]	[•]
Non-institutions (B2)										
Bodies Corporate	1	2,011,264	NIL	13.95	NIL	NIL	[•]	[•]	[•]	[•]
Non Resident Indians	NIL	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]
OCBs	NIL	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]
Trust	NIL	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]
Individuals	2	200,220	NIL	1.39	NIL	NIL	[•]	[•]	[•]	[•]
Foreign Bodies	NIL	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]
Others	1	341,713	NIL	2.37	NIL	NIL	[•]	[•]	[•]	[•]
Sub-Total (B)(2)	4	2,553,197	NIL	17.71	NIL	NIL	[•]	[•]	[•]	[•]
Public (Pursuant to the IPO) (B)(3)	-	-	-	-	-	-	[•]	[•]	[•]	[•]
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	5	3,554,297	NIL	24.65	NIL	NIL	[•]	[•]	[•]	[•]

(C) Shares held by custodians and against which Depository receipts have been issued	NIL	NIL	NIL	NA	NIL	NIL	[•]	[•]	[•]	[•]
GRAND TOTAL (A)+(B)+(C)	14	14,420,297	NIL	100	NIL	NIL	[•]	[•]	[•]	[•]

Our Promoters and the members of our Promoter Group will not participate in this Issue. The total public shareholding in our Company post Issue would be atleast 25% of our issued and paid-up Equity Share capital.

3. Except as set forth below, none of the Directors or Key Managerial Personnel holds as of the date hereof, Equity Shares in our Company:

S. No.	Name	Number of Equity Shares Held	Pre Issue %	Post Issue %
1.	Mr. Pramod Maheshwari	1,393,200	9.66	[•]
2.	Mr. Om Prakash Maheshwari	1,386,300	9.61	[•]
3.	Mr. Nawal Kishore Maheshwari	1,385,800	9.61	[•]
	TOTAL	4,165,300	28.88	[•]

4. Top ten shareholders

The list of the top ten shareholders of our Company and the number of Equity Shares held by them is provided below:

- (a) Our top ten shareholders and the number of Equity Shares held by them as on the date of filing this Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares Held	Pre Issue %
1.	FTPES*	2,011,264	13.95
2.	Mr. Pramod Maheshwari	1,393,200	9.66
3.	Mr. Om Prakash Maheshwari	1,386,300	9.61
4.	Mr. Nawal Kishore Maheshwari	1,385,800	9.61
5.	Mr. Gulab Chand Maheshwari	1,339,500	9.29
6.	Ms. Kailash Bai Maheshwari	1,339,500	9.29
7.	Ms. Neelima Maheshwari	1,339,500	9.29
8.	Ms. Shilpa Maheshwari	1,339,500	9.29
9.	Ms. Rekha Maheshwari	1,339,500	9.29
10.	M/s Volrado Venture Partners	1,001,100	6.94
	Total	13,875,164	96.22

* None of the FTAMPL's clients under FTPES hold more than one percent of the pre-Issue paid-up capital of the Company

- (b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to filing of this Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares Held	Pre Issue %
1.	FTPES*	2,011,264	13.95
2.	Mr. Pramod Maheshwari	1,393,200	9.66
3.	Mr. Om Prakash Maheshwari	1,386,300	9.61
4.	Mr. Nawal Kishore Maheshwari	1,385,800	9.61
5.	Mr. Gulab Chand Maheshwari	1,339,500	9.29
6.	Ms. Kailash Bai Maheshwari	1,339,500	9.29

S. No.	Shareholder	No. of Equity Shares Held	Pre Issue %
7.	Ms. Neelima Maheshwari	1,339,500	9.29
8.	Ms. Shilpa Maheshwari	1,339,500	9.29
9.	Ms. Rekha Maheshwari	1,339,500	9.29
10.	M/s Volrado Venture Partners	1,001,100	6.94
	Total	13,875,164	96.22

** None of the FTAMPL's clients under FTPES hold more than one percent of the pre-Issue paid-up capital of the Company*

- (c) Our top ten shareholders and the number of Equity Shares held by them as of two years prior to filing this Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares Held	Pre Issue %
1.	Mr. Pramod Maheshwari	1,383,900	11.47
2.	Mr. Om Prakash Maheshwari	1,382,800	11.46
3.	Mr. Nawal Kishore Maheshwari	1,382,800	11.46
4.	Mr. Gulab Chand Maheshwari	1,339,500	11.10
5.	Ms. Kailash Bai Maheshwari	1,339,500	11.10
6.	Ms. Neelima Maheshwari	1,339,500	11.10
7.	Ms. Shilpa Maheshwari	1,339,500	11.10
8.	Ms. Rekha Maheshwari	1,339,500	11.10
9.	M/s Volrado Venture Partners	1,001,100	8.30
10.	Mr. Vikas Singhi	100,110	0.83
10.	Mr. Prayas Singhi	100,110	0.83
	Total	12,007,320	99.85

5. SEBI vide its letters dated June 03, 2010 and August 20, 2010 has permitted FTAMPL to segregate the securities held by FTPES in our Company into the respective client accounts within 5 Working Days of the completion of the lock in period specified under the SEBI Regulations. As on date, FTPES holds Equity Shares in our Company on behalf of 1,045 clients of FTAMPL.
6. Our Company, our Promoters, our Directors, our Promoter Group and the Book Running Lead Managers have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.
7. At least 60% of the Net Issue, that is, [●] Equity Shares shall be available for allocation on a proportionate basis to QIBs. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIB Bidders including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIB Bidders, then the entire application money will be refunded forthwith. Not less than 10% of the Net Issue, i.e. [●] Equity Shares shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue, that is [●] Equity Shares shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
8. A total of up to 65,000 Equity Shares have been reserved for allocation to the Eligible Employees on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion on a competitive basis. Employees other than as defined in this Red Herring Prospectus are not eligible to participate under the Employee Reservation Portion. Bids by Eligible Employees can also be made in the Net Issue Portion to the public and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater

- than 65,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis. The unsubscribed portion, if any, from the Equity Shares in the Employee Reservation Portion will be treated as part of the Net Issue and the proportionate allocation of the same would be at the sole discretion of our Company in consultation with the BRLMs.
9. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion, Retail Portion and the Employee Reservation Portion would be allowed to be met with spill-over from other categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.
 10. Except as disclosed in this section, the Directors, the Promoters, or the members of our Promoter Group have not purchased or sold or financed any securities of our Company, during a period of six months preceding the date of filing the Draft Red Herring Prospectus with SEBI.
 11. An investor cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
 12. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
 13. As on the date of this Red Herring Prospectus, the total number of holders of Equity Shares is 14.
 14. Our Company has not raised any bridge loans against the proceeds of the Issue.
 15. Our Company has not issued any Equity Shares out of its revaluation reserves, if any.
 16. Our Company has not issued any Equity Shares for consideration other than cash.
 17. Any oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalising the 'Basis of Allocation'.
 18. There will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.
 19. Except for the Issue, there is no proposal, intention, negotiations, consideration by the Company to alter the capital structure by way of split, consolidation of the denomination of the Equity Shares, or issue of Equity Shares on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or any other securities, within a period of six months from the date of Allotment.
 20. The Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.
 21. Our Company, the Directors, the Promoters or the Promoter Group shall not make any, direct or indirect, payments, discounts, commissions or allowances under this Issue, except as disclosed in this Red Herring Prospectus.
 22. Our Promoter and Promoter Group hold 10,866,000 Equity Shares which constitutes 75.35% of the pre-Issue issued and paid up Equity Share capital of our Company.

OBJECTS OF THE ISSUE

The objects of the Issue are:

1. to meet the costs of construction and development of an integrated campus facility;
2. to meet the costs of expansion of classroom infrastructure and office facility;
3. to finance acquisitions and other strategic initiatives; and
4. to meet expenses towards general corporate purposes.

The main object clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which we are raising funds through the Issue.

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

<i>(Rupees in million)</i>	
Particulars	Estimated Amount *
Gross proceeds of the Issue ("Issue Proceeds")	[●]
Issue related expenses	[●]
Net proceeds of the Issue ("Net Proceeds")	[●]

* Will be included after finalisation of Issue Price

Our requirement of funds and means of finance

We estimate our Net Proceeds to be Rs. [●] million. We intend to utilise the Net Proceeds as per the table set forth below:

<i>(Rupees in million)</i>						
Sr. No.	Expenditure Items	Total Estimated Cost	Amount deployed as of July 31, 2010	Amount to be financed from Net Proceeds	Estimated schedule of deployment of Net Proceeds for Fiscal	
					2011	2012
1	Construction and development an integrated campus facility	682.50	NIL	682.50	370.00	312.50
2	Expansion of classroom infrastructure and office facility	164.86	NIL	164.86	164.86	Nil
3	Acquisitions and other strategic initiatives	150.00	NIL	150.00	150.00	Nil
4	General corporate purposes	N.A.	N.A.	[●]	[●]	[●]
	Total			[●]		

The fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution or any other independent agency. These are based on current conditions and are subject to change on account of changes in external circumstances or costs, business situations which may not be in our control.

In the event of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flow from our operations and debt, as required.

We operate in an evolving, increasingly competitive and dynamic market and may have to revise our estimated cost and funding requirements from time to time on account of change in regulations or regulatory approvals which may also include modifications in existing planned developments and the initiatives which we may pursue, including any industry consolidation opportunities, such as acquisitions.

Means of Finance

The entire requirement of funds set forth above will be met from the proceeds of the Issue. Hence, no amount is required to be raised through means other than this Issue for financing the objects. Accordingly, the requirement of firm arrangements of finance through verifiable means for 75% of the stated means of finance excluding the Net Proceeds does not arise.

Working Capital Requirement

The Net Proceeds will not be used to meet our working capital requirements. We expect to meet our working capital requirements in the future through internal accruals, availing debt facilities or availing new lines of credit.

Details of objects of the Issue

The details regarding development of abovementioned facilities, including the utilisation of the Net Proceeds, is as follows:

(a) Details of integrated campus facility at Kota

We intend to set-up an integrated campus facility for 3,000 students which in addition to providing tutoring facility will also provide facilities such as accommodation for students, library, guest house for visiting parents, primary health centre, auditorium, canteen, cafeteria, indoor and outdoor recreation, staff quarters, provision for utilities like departmental store, bank facilities etc.

The total land requirement for campus facility is estimated to be 861,113 square feet which has already been leased to our Company by Career Point Infra Limited and Gopi Bai Foundation Trust Kota (Raj.). Details of the lease agreements are as under:

Sl. No.	Description of property	Lessor	Area (in square feet)	Terms of lease	Date of lease agreement	Consideration
1.	Khasra No. 890, 891, 892/1, 893/2 and 895/4 at Village Thegada, Tahsil Ladpura, Kota, Rajasthan	Gopi Bai Foundation Trust Kota (Raj.)	585,556	19 years commencing from May 1, 2010	February 11, 2010	Rs. 166,700 per month with an escalation clause of 10% after every three years
2.	Khasra No. 895/3, 905/3, 906/3 and 907/3 at Village Thegada, Tahsil Ladpura, Kota, Rajasthan	Career Point Infra Limited	275,556	19 years commencing from May 1, 2010	February 11, 2010	Rs. 100,000 per month with an escalation clause of 10% after every three years
Total			861,112			

The details of the break up of the cost for our development of campus facility at Kota are given below:

(Rupees in million)				
Sr. No.	Details of campus development	Total cost	Amount deployed as of July 31, 2010	Utilisation of Net Proceeds
i	Land development	20.40 ⁽¹⁾	NIL	20.40
ii	Civil works	559.92 ⁽¹⁾	NIL	559.92
iii	Furniture & fixtures	56.00 ⁽¹⁾	NIL	56.00
iv	Miscellaneous expenses & others	31.50 ⁽¹⁾	NIL	31.50
v	Equipments			
	(a) 200KVA – D.G. Set	6.12 ⁽²⁾	NIL	6.12
	(b) OTIS Electric Traction Passenger Elevator	3.00 ⁽³⁾	NIL	3.00
	(c) Transformer & other incidental equipments	5.05 ⁽⁴⁾	NIL	5.05
	(d) Sprinkler fire hydrant	0.51 ⁽⁵⁾	NIL	0.51
	Total	682.50	NIL	682.50

⁽¹⁾ Based on the quotations received from Lahoty Associates, Architect & Consultant, Architects dated July 24, 2010.

⁽²⁾ Based on the quotations received from Kota Diesel Sales & Services/Cummins Power Generation dated July 24, 2010 towards purchase of five D.G. Sets. The amount quoted is inclusive of value added tax.

⁽³⁾ Based on the quotations received from Otis Elevator Company (India) Limited dated July 3, 2010 towards purchase of three Otis Electric Traction Passenger Elevator. The amount quoted is inclusive of excise duty and service tax.

⁽⁴⁾ Based on the quotation received from Pramod Electricals dated July 24, 2010. Further the amount mentioned above is exclusive of value added taxes.

⁽⁵⁾ Based on quotation received from Rixon Firemark dated July 26, 2010. Further the amount mentioned above is exclusive of value added taxes.

(i) Land development

The cost of land developments, *inter alia* includes leveling and filling of land, road development, water and sewerage facility, electricity and drainage and landscaping activities.

(ii) Construction cost

The cost of construction, *inter alia*, includes the designing and engineering cost, construction of administrative building, library, canteen, cafeteria, auditorium, guest house, staff quarters, health centre, provision for utilities like departmental store and banking facilities.

(iii) Furniture and fixtures

The cost of furniture would include furniture for class rooms, administrative building, library, hostel, mess and guest house.

(iv) Miscellaneous expenses

The miscellaneous expenses involve expenses which are in the nature of professional fee, advisory fee and fee towards technical services required in construction of the integrated campus facility. It also includes soil testing.

(v) Equipments

We are required to make substantial investments in capital equipment due to the nature of the

integrated campus we intend to develop. We propose to purchase all the equipments from different suppliers.

None of the equipment mentioned above, is used or second hand in nature, and we do not propose to purchase any used or second hand equipment. Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed acquisition of the equipments or in suppliers from whom the quotations have been received.

We have not yet placed any orders for the equipments. We may obtain fresh quotations at the time of placement of the orders for the equipment. The actual cost may thus depend on the prices finally settled with such suppliers and to that extent may vary from the estimates. Further, our estimated completion dates may vary based on the time and cost, or tax or duty implications, involved in actual procurement.

All the expenses to be incurred by our Company towards setting up of integrated campus facility from the date of filing of the DRHP till the actual utilization of the Net Proceeds would be recouped from the Net Proceeds.

(b) Details of expansion of classroom infrastructure and office facility

In order to respond to the additional need of students and faculty, we are setting up additional infrastructure for classroom infrastructure and office facilities at Kota.

The total land requirement for campus facility is estimated to be 45,079.26 square feet which has already been leased for a period of 99 years commencing from February 21, 1981 to our Company by M/s R. A. Stone and Allied Industries, a partnership firm.

The details of the break up of the above facility are as under:

<i>(Rupees in million)</i>				
Sr. No.	Details of facilities development	Total cost	Amount deployed as of July 31, 2010	Utilisation of Net Proceeds
i	Land development	7.12 ⁽¹⁾	NIL	7.12
ii	Civil works	64.40 ⁽¹⁾	NIL	64.40
iii	Furniture & fixtures	61.50 ⁽¹⁾	NIL	61.50
iv	Miscellaneous expenses & others	6.70 ⁽¹⁾	NIL	6.70
v	Equipments			
	(a) 200KVA – D.G. Set	2.45 ⁽²⁾	NIL	2.45
	(b) OTIS Electric Traction Passenger Elevator	2.03 ⁽³⁾	NIL	2.03
	(c) Transformer & other incidental equipments	1.99 ⁽⁴⁾	NIL	1.99
	(d) Sprinkler fire hydrant	1.99 ⁽⁵⁾	NIL	1.99
	(e) Computer hardware and software	16.68 ⁽⁶⁾	NIL	16.68
	Total	164.86	NIL	164.86

⁽¹⁾ Based on the quotations received from Lahoty Associates, Architect & Consultant, Architects dated July 24, 2010.

⁽²⁾ Based on the quotations received from Kota Diesel Sales & Services/Cummins Power Generation dated July 26, 2010 towards purchase of two D.G. Sets. The amount quoted above is inclusive of value added tax.

⁽³⁾ Based on the quotations received from Otis Elevator Company (India) Limited dated July 3, 2010 towards purchase of two Otis Electric Traction Passenger Elevator. The amount quoted is inclusive of excise duty and service tax.

⁽⁴⁾ Based on the quotation received from Pramod Electricals dated July 24, 2010. Further the amount mentioned above excludes the value added taxes.

⁽⁵⁾ Based on quotation received from Rixon Firemark dated July 26, 2010. Further the amount mentioned above is

exclusive of value added taxes.

⁽⁶⁾ *Based on quotation received from Cyber Infosystems dated July 24, 2010. Further the amount mentioned above is inclusive of value added taxes.*

(i) Land development

The cost of land developments, *inter alia* includes leveling and filling of land, road development, water and sewerage facility and landscaping activities.

(ii) Construction cost

The cost of construction, *inter alia*, includes the designing and engineering cost, construction of institute building and corporate office and auditorium facility.

(iii) Furniture and fixtures

The cost of furniture and fixtures would include furniture for class rooms, corporate office and air conditioning for corporate office.

(iv) Miscellaneous expenses

The miscellaneous expenses involve expenses which are in the nature of professional fee, advisory fee and fee towards technical services required in construction of classroom infrastructure and office facility. It also includes soil testing.

(v) Equipments

We are required to make substantial investments in capital equipment due to the nature of the classroom infrastructure and office facility we intend to develop. We propose to purchase all the equipments from different suppliers.

None of the equipment mentioned above, is used or second hand in nature, and we do not propose to purchase any used or second hand equipment. Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed acquisition of the equipments or in suppliers from whom the quotations have been received.

We have not yet placed any orders for the equipments. We may obtain fresh quotations at the time of actual placement of the order for the respective equipment. The actual cost may thus depend on the prices finally settled with such suppliers and to that extent may vary from the above estimates. Further, our estimated completion dates may vary based on the time and cost, or tax or duty implications, involved in actual procurement.

All the expenses to be incurred by our Company towards expansion of classroom infrastructure and office facility from the date of filing of the DRHP till the actual utilization of the Net Proceeds would be recouped from the Net Proceeds.

(c) Details of acquisitions and other strategic initiatives

In evaluating potential acquisitions, we seek to pursue selective strategic acquisitions and joint venture opportunities. Such opportunities augment our capabilities, broaden our service offerings and increase our geographical presence. We believe that these opportunities will assist in replication of courses at our existing and new campuses coupled with induction of new course offerings. We target potential companies involved in the education sector or provide services to the education sector whose operations can be scaled up by leveraging our experience in the education sector.

We intend to initiate the process of acquisitions and other strategic initiatives by entering into a non-binding letter of intent, once the potential target has been identified. We would then, based upon our broad based diligence evaluate the risks and the rewards associated with such an acquisition. Subsequently, we may either enter into a binding agreement with such target else we may terminate the non-binding letter of intent.

We seek to pursue acquisitions and other strategic initiatives in order to derive dual benefits i.e. (i) entry into new geographical areas; (ii) enhance our course offerings. Details of such benefits are as under:

(i) Entry into new geographical areas

We believe one of our important growth strategies is to enter new geographical markets that offer significant growth potential. Entering new areas through acquisitions and other strategic initiatives would help us capture market share faster and provide our brand with an immediate visibility in such markets. These acquisitions and other strategic initiatives would expose us to an existing customer base which would enhance our student enrollments and minimizing the time, cost and customer awareness efforts required in establishing our brand value.

(ii) Enhance course offerings

We believe continuous enhancement of non-traditional course offerings (i.e. course offerings not forming part of our traditional offerings) would help us meet the evolving market demand. Introducing such course offerings through acquisitions and other strategic initiatives would provide us access to the technical know-how related to non-traditional courses. Access to such “technical know-how” would also offer us the autonomy to expand the base of our non-traditional courses to other geographical areas. Further, strategic acquisitions and joint venture opportunities would also help our potential clients in associating our brand with the non-traditional course offerings, coupled with an immediate visibility and an existing customer base.

As of the date of this RHP, we have neither identified any target nor have entered into any letter of intent or definitive contractual commitment for any acquisition or strategic initiatives. Further, we have also not yet finalized the form of investment for such potential targets and may choose to invest by way of equity, debt or any convertible instruments. In the event that there is a shortfall of funds required for such acquisitions and / or strategic initiatives then, such shortfall shall be met out of the amounts allocated for general corporate purposes and/or through internal accruals.

General corporate purposes

The Net Proceeds will be first utilised towards the aforesaid items and the balance is proposed to be utilised for general corporate purposes, including brand building exercises and strengthening of our marketing capabilities, subject to compliance with the necessary provisions of the Companies Act.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time, and consequently, our funding requirement and deployment of funds may also change. In accordance with the policies of our Board, our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs [●] million. The Issue related expenses include, among others, Issue management fees, registrar fees, printing and distribution expenses, fees of the legal counsels, advertisement and road show expenses, stamp duty, depository charges, listing fees to the Stock exchanges. The break-up of the total expenses for the Issue is as follows:

(Rupees in million)

Activity	Expense (Rupees millions)*	As % of total Issue related expenses	As % of Issue
Fee payable to Book Running Lead Managers, Underwriting commission and SCSBs' commission	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing, stationery and distribution expenses	[●]	[●]	[●]
Other (Registrar's fees, legal fees, regulatory fees, listing fees, IPO grading fees etc.)	[●]	[●]	[●]
Total Issue expenses	[●]	[●]	[●]

* Details will be provided after finalisation of the Issue Price.

Appraisal

None of the objects of the Issue have been appraised by any banks, financial institutions or agency.

Bridge loans

We have not raised any bridge loans against the Net Proceeds.

Interim use of funds

Pending utilisation of funds, our management will have flexibility, in accordance with policies established by our Board, in deploying the Net Proceeds. Pending utilisation for the purposes described above, our Company intends to invest the funds in high quality interest bearing liquid instruments, including money market mutual funds, deposits with banks, other investment grade interest bearing securities and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures as may be approved by the Board of Directors or a committee thereof or for the necessary duration or for reducing overdrafts. Our Company confirms that pending utilization of the Issue proceeds it shall not use the funds for any investments in the equity markets.

Monitoring utilization of funds

Our Board will monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilised. We will indicate investments, if any, of unutilised proceeds of the Issue in our Balance Sheet for the relevant Financial Years subsequent to our listing. Pursuant to Clause 49 of the Listing Agreement, the Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, the Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement will be certified by the statutory auditors of the Company. Our Company shall be required to inform the stock exchanges of any material deviations in the utilisation of Issue proceeds and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee through advertisement in newspapers.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, our Directors, Promoter Group companies or key managerial employees, except in the normal course of our business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with BRLMs on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process. The face value of the Equity Shares is Rs. 10 each and the Floor Price is [•] times the face value and the Cap Price is [•] times the face value.

Qualitative Factors

For some of the qualitative factors, which form the basis for computing the price, refer to “Our Business” and “Risk Factors” on pages 115 and 13 respectively of this Red Herring Prospectus.

Quantitative Factors

The information presented below is based on the restated financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Weighted Average Earnings Per Share (EPS) on Standalone Basis:

Year ended	Basic EPS (Rs.)	Weight	Diluted EPS (Rs.)	Weight
March 31, 2008	12.92	1	12.92	1
March 31, 2009	13.46	2	13.46	2
March 31, 2010	14.71	3	14.71	3
Weighted Average	14.00		14.00	

Note:

- (i) The EPS has been computed on the basis of the adjusted profits and losses of the respective years.
- (ii) The denominator considered for the purpose of calculating earnings per share is the restated weighted average number of Equity Shares outstanding during the year as per AS 20.

2. Weighted Average Earnings Per Share (EPS) on Consolidated Basis:

Year ended	Basic EPS (Rs.)	Weight	Diluted EPS (Rs.)	Weight
March 31, 2008	12.77	1	12.77	1
March 31, 2009	12.42	2	12.42	2
March 31, 2010	13.17	3	13.17	3
Weighted Average	12.85		12.85	

Note:

- (i) The EPS has been computed on the basis of the adjusted profits and losses of the respective years.
- (ii) The denominator considered for the purpose of calculating earnings per share is the restated weighted average number of Equity Shares outstanding during the year as per AS 20.

3. Price /Earning* Ratio (P/E ratio) in relation to Issue Price is [•]

Particulars	P/E at the Floor Price (No. of times)	P/E at the Cap Price (No. of times)
Based on year ended March 31, 2010 restated	[•]	[•]

standalone EPS of Rs. 14.71		
Based on year ended March 31, 2010 restated consolidated EPS of Rs. 13.17	[●]	[●]

Industry P/E*:

- (i) Highest : 33.6
- (ii) Lowest : 8.1
- (iii) Average : NA

*P/E based on trailing twelve month earnings for the Computers – Education Industry
(Source: Capital Market Volume XXV/13 Dated: August 23 – September 5, 2010 Category: Computers – Education)

4. Weighted Average Return on Networth on Standalone Basis

Year ended	RONW%	Weights
March 31, 2008	36.39	1
March 31, 2009	27.69	2
March 31, 2010	14.60	3
Weighted Average	22.60	

RONW has been calculated by dividing net profit after tax, as restated, by the net worth as restated at the end of the period.

Minimum Return on total Networth post-Issue to maintain Pre-Issue EPS at Rs. [●] is [●] %

5. Weighted Average Return on Networth on Consolidated Basis

Year ended	RONW%	Weights
March 31, 2008	36.15	1
March 31, 2009	26.19	2
March 31, 2010	13.43	3
Weighted Average	21.47	

RONW has been calculated by dividing net profit after tax, as restated, by the net worth as restated at the end of the period.

Minimum Return on total Networth post-Issue to maintain Pre-Issue EPS at Rs. [●] is [●] %

6. Net Asset Value per share (NAV) (Rs.) on Standalone Basis

- a. NAV as at March 31, 2010 is Rs. 94.37
- b. NAV per Equity Share after the Issue, based on Cap Price (Rs. [●] per Equity Share) is Rs. [●].
- c. NAV per Equity Share after the Issue, based on Floor Price (Rs. [●] per Equity Share) is Rs. [●].
- d. Issue Price per Equity Share is Rs. [●].

NAV per Equity Share has been calculated as net worth divided by number of Equity Shares outstanding at the end of the period.

7. Net Asset Value per share (NAV) (Rs.) on Consolidated Basis

- a. NAV as at March 31, 2010 is Rs. 91.88
- b. NAV per Equity Share after the Issue, based on Cap Price (Rs. [●] per Equity Share) is Rs. [●].
- c. NAV per Equity Share after the Issue, based on Floor Price (Rs. [●] per Equity Share) is Rs. [●].

d. Issue Price per Equity Share is Rs. [●].

NAV per Equity Share has been calculated as networth divided by number of Equity Shares outstanding at the end of the period.

8. Comparison with Industry Peers

Our Company is primarily engaged in the business of providing tutorial services for various competitive entrance examinations including AIEEE, IIT-JEE, AIPMT/PD. There is no listed comparable company having a similar business model. However, we have chosen the companies which we believe are our peers in the segment in which we operate:

Peers	EPS (Rs.)	RONW (%)	Book Value per share (Rs.)	P/E Ratio
Career Point Infosystems Limited ⁽¹⁾	14.71	14.60	94.37	[●]
Industry Average				
Everonn Education Ltd ⁽²⁾	30.7	18.1	169.1	19.5
Educomp Solutions Ltd ⁽²⁾	23.7	18.2	130.4	24.4
NIIT ⁽²⁾	2.0	8.2	23.9	33.6

⁽¹⁾ Earning Per Share, Return on Networth and Net Asset Value of our Company are based on the last audited restated standalone financial statements for the Financial Year ended March 31, 2010.

⁽²⁾ Source: Capital Market Volume XXV/13 Dated: August 23 – September 5, 2010 Category: Computers – Education

We believe that the Issue Price of Rs. [●] is justified in view of the above qualitative and quantitative parameters. For further details see “Risk Factors” on page 13 and the financials of our Company including profitability and return ratios, as set out in the “Financial Statements” on page 180 for a more informed view.

STATEMENT OF TAX BENEFITS

The Board of Directors
Career Point Infosystems Limited
112-B, Shakti Nagar,
Kota – 324 009.

Dear Sirs,

Sub: Statement of Possible Tax Benefits

We hereby report that the enclosed Annexure A states the possible tax benefits available to Career Point Infosystems Limited (the “Company”) and its shareholders under the tax laws applicable at present 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 the Company may or may not choose to fulfill.

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

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

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

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and should be read together with Notes to Annexure A.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the SEBI ICDR Regulations).

Sharp & Tannan

Chartered Accountants

ICAI Registration no. 000452N
By the hand of

Pavan K. Aggarwal

Partner
Membership No.: 91466

New Delhi
26th August, 2010

ANNEXURE ‘A’

PART - A

SPECIAL TAX BENEFITS TO THE COMPANY

No Special tax benefit is available to the company.

GENERAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961

I. GENERAL CLAUSES:

1. In accordance with section 10(34) of the Income-tax Act, 1961 (hereafter referred as ‘the Act’), dividend income (referred to in Section 115-O of the Act) declared, distributed or paid will be exempt from tax.
2. The amount of tax paid under Section 115JB of the Act by the company for any assessment year beginning on or after 1st April 2006 will be available as credit for ten years succeeding the Assessment Year in which MAT credit becomes allowable in accordance with the provisions of Section 115JAA of the Act.
3. In case of loss under the head “Profit and Gains from Business or Profession”, it can be set-off with other income and the excess loss after set-off can be carried forward for set-off against ‘Profit and Gains from Business or Profession’ of the next eight Assessment Years.
4. The unabsorbed depreciation, if any, can be adjusted against any other income and can be carried forward for set-off with the income of future years.
5. As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax, shall be exempt from tax in the hands of the Company.

For this purpose, “equity oriented fund” means a fund -

- (i) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
- (ii) which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB, while calculating “book profits” the Company will not be able to reduce the long term capital gains to which the provisions of section 10(38) of the Act apply and will be required to pay Minimum Alternative Tax @ 18 percent (plus applicable surcharge and higher Education Cess and Secondary and Higher Secondary Education Cess) of the book profits.

6. Income received in respect of the units of mutual fund specified under section 10(23D) of the Act or income received in respect of units from administrator of the specified undertakings or income received in respect of units from the specified company is exempt from tax in the hand of the Company, under section 10(35) of the Act.

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

- For this purpose, (i) “Administrator” means the Administrator as referred to in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a Company as referred to in Section 2(h) of the said Act.
7. Section 48 of the Act, prescribes the mode of computation of capital gains. It provides for deduction of cost of acquisition/ improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, for resident shareholders it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/ improvement, which adjusts the cost of acquisition/improvement by the prescribed cost inflation index. The benefit of indexation is not available in respect of long-term capital gains arising from the transfer of long-term capital asset like bonds and debenture (other than capital indexed bonds issued by the Government).
 8. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
 - (a) 20 per cent (plus applicable surcharge and additional surcharge called as ‘Education Cess’ and ‘Secondary and Higher Secondary Education Cess’) of the capital gains as computed after indexation of the cost or
 - (b) 10 per cent (plus applicable surcharge and additional surcharge called as ‘Education Cess’ and ‘Secondary and Higher Secondary Education Cess’) of the capital gains as computed without indexation.
 9. In accordance with Section 111A of the Act capital gains arising from the transfer of a short term asset being an equity share in a company or units of equity oriented fund and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 per cent (plus applicable surcharge and additional surcharge called as ‘Education Cess’ and ‘Secondary Education Cess’) and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
 10. The Company shall be entitled to claim depreciation on tangible and intangible assets owned by it and used for the purposes of its business as explained in Section 32 of the Act.
 11. Preliminary Expenses:
The Company shall be eligible for amortization of preliminary expenditure as specified in section 35D of the Act being expenditure on public issue of shares, subject to meeting the conditions and limits specified in that section.
 12. Security Transaction tax:
As per Section 36(xv) of the Act, an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transactions entered into in the course of business during the previous year shall be allowed as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head ‘Profits and Gains of Business or Profession’.
 13. As per section 71 read with section 74 of the Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short-term as well as long-term capital gains.

Further, Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

14. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 lacs.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long-term specified asset" for making investment under this section on or after 1st April, 2007 means any bond, redeemable after three years and issued on or after 1st April, 2007 by:

- (i) National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988;
- or
- (ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

II. Section 115-O

Tax on distributed profits of domestic companies.

The domestic company is required to pay dividend distribution tax u/s 115O of the Act @ 15% (plus applicable surcharge and Education Cess and Secondary and Higher Education Cess). However, the company will also be entitled to avail the credit of dividend received by it from its subsidiaries in accordance with the provisions of section 115-O (1A) of the Act on which tax on distributed profits has been paid by the subsidiary company and the domestic company is not a subsidiary of any other company.

For this purpose, a company shall be a subsidiary of another company, if such other company holds more than half in nominal value of the equity share capital of the company.

III. TAX RATES:

The tax rate applicable for domestic companies is 30%. The surcharge on Income-tax is 7.5% in case of domestic companies for income exceeding Rs.1 crore. Education Cess is 2% of Income-tax plus surcharge and Secondary & Higher Secondary Education Cess is 1% of Income-tax plus surcharge.

IV UNDER THE WEALTH TAX ACT, 1957:

- (i) 'Asset' as defined under section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, these are not liable to wealth-tax.
- (ii) Wealth tax chargeability limit has been increased from Rs. 15 lakhs to 30 lakhs from the assessment year 2010-11.

PART - B

SPECIAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

No Special tax benefit is available to the shareholders of the company.

GENERAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

(I) UNDER THE INCOME TAX ACT, 1961:

A) *Residents*

1. In accordance with section 10(34) of the Act, dividend income declared, distributed or paid by the Company (referred to in section 115-O of the Act) will be exempt from tax.
2. Shares of the company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long-term capital asset.
3. In accordance with section 10(38) of the Act, any income arising from the transfer of a long-term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.
4. As per the provision of Section 71 of the Act, if there is a loss under the head “Capital Gains”, it cannot be set-off with the income under any other head. Section 74 of the Act provides that the short-term capital loss can be set-off against any long-term capital gain. But Long-term capital loss cannot be set-off against short-term capital gain.
5. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
 - (a) 20 per cent (plus applicable surcharge (only to corporate shareholders) and additional surcharge called as ‘Education Cess’ and ‘Secondary and Higher Secondary Education Cess’) of the capital gains as computed after indexation of the cost;
 - or
 - (b) 10 per cent (plus applicable surcharge (only to corporate shareholders) and additional surcharge called as ‘Education Cess’ and ‘Secondary and Higher Secondary Education Cess’) of the capital gains as computed without indexation.
6. In accordance with Section 111A of the Act, capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 per cent (plus applicable surcharge (only to corporate shareholders) and additional surcharge called as ‘Education Cess’ and ‘Secondary and Higher Secondary Education Cess’) and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
7. In accordance with section 54EC of the Act, long-term capital gains arising on transfer of the shares of the Company on which securities transaction tax is not payable, shall be exempt from tax, if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets notified for the purpose of investment are Bonds redeemable after a period of 3 years, issued by Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI).

Notification issued by Government of India specifies that any investment made after 1st April, 2007 cannot exceed Rs.50 lacs.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the specified asset is transferred.

8. In accordance with section 54F of the Act, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax, if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family:

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
- purchases another residential house within a period of one year after the date of transfer of the shares; or
- constructs another residential house within a period of three years after the date of transfer of the shares; and
- the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

9. Security Transaction tax:

As per Section 36(xv) of the Act, an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transactions entered into in the course of business during the previous year shall be allowed as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head ‘Profits and Gains of Business or Profession’.

Tax Rates:

1. Following are the Exemption Limits of Income for various categories of Assessee:

Assessee	Initial Income Exempt
Resident Individual, HUF, AOP, BOI and AJP	Rs.160,000
Resident Senior Citizen (Age >65 years)	Rs. 240,000
Resident Woman	Rs.190,000

Surcharge applicable is Nil. Education Cess is levied at 2% of Income-tax and Secondary & Higher Secondary Education Cess is levied at 1% of Income-tax.

B. 1) Non-Residents

1. In accordance with section 10(34) of the Act, dividend income declared, distributed or paid by the company (referred to in section 115-O of the Act) will be exempt from tax.

2. In accordance with section 10(38) of the Act, any income arising from the transfer of a long-term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.
3. In accordance with section 48, capital gains arising out of transfer of capital assets being shares in the company, and such transaction is not chargeable to securities transaction tax, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter and sale of shares or debentures of an Indian company including the Company.
4. As per the provisions of Section 90 of the Act, the provisions of Income-tax Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial.
5. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge (only to corporate shareholders) and additional surcharge called as 'Education Cess' and 'Secondary and Higher Secondary Education Cess').

A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares.

6. In accordance with Section 111A of the Act, capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 per cent (plus applicable surcharge (only to corporate shareholders) and additional surcharge called as 'Education Cess' and 'Secondary and Higher Secondary Education Cess') and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.

In accordance with section 54EC of the Act, long-term capital gains arising on transfer of the shares of the Company and on which securities transaction tax is not payable, the tax payable on the capital gains shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets notified for the purpose of investments are Bonds redeemable after a period of 3 years, issued by Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Notification issued by Government of India specifies that any investment made after 1st April, 2007 cannot exceed Rs.50 lacs.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

7. In accordance with section 54F of the Act, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family, and on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase

of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family

- a. owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
- b. purchases another residential house within a period of one year after the date of transfer of the shares; or
- c. constructs another residential house within a period of three years after the date of transfer of the shares; and
- d. the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

B. 2) Non-Resident Indians

1. Further, a Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income- tax Act, 1961 which reads as under:

In accordance with section 115E of the Act, income from investment or income from long-term capital gains on transfer of assets other than specified assets shall be taxable at the rate of 20% (plus additional surcharge called 'Education Cess' and 'Secondary and Higher Secondary Education Cess'). Income by way of long-term capital gains in respect of a specified asset (as defined in Section 115F(2) of the Act) shall be chargeable at 10% (plus additional surcharge called 'Education Cess' and 'Secondary and Higher Secondary Education Cess').

2. In accordance with section 115F of the Act, subject to the conditions and to the extent specified therein, long-term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified asset or savings certificate referred to in clause (4B) of Section 10 of the Act.
3. In accordance with section 115G of the Act, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Act.
4. As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income, for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XIIA of the Act shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

5. In accordance with section 115-I of the Act, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A of the Act for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Act.
6. As per the provisions of Section 90 of the Act, where the central government has entered into an agreement with the Government of any country outside India or specified territory outside India, as the case may be, under section 90(1) of the Act for granting relief of tax, or as the case may be, avoidance of double taxation, then in relation to the assessee to whom such agreement applies, the provision of the Act shall apply to the extent they are more beneficial to the assessee
7. In accordance with section 10(38) of the Act, any income arising from the transfer of a long-term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.
8. In accordance with section 10(34) of the Act, dividend income declared, distributed or paid by the Company (referred to in section 115-O of the Act) will be exempt from tax.
9. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
 - (a) 20 per cent (plus additional surcharge called as 'Education Cess' and 'Secondary and Higher Secondary Education Cess') of the capital gains as computed after indexation of the cost; or
 - (b) 10 per cent (plus additional surcharge called as 'Education Cess' and 'Secondary and Higher Secondary Education Cess') of the capital gains as computed without indexation.
10. In accordance with Section 111A of the Act, capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 per cent (plus additional surcharge called as 'Education Cess' and 'Secondary and Higher Secondary Education Cess') and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
11. In accordance with section 54F of the Act, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
 - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

10. Security Transaction tax:

As per Section 36(xv) of the Act, an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transactions entered into in the course of business during the previous year shall be allowed as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head ‘Profits and Gains of Business or Profession’.

C) Foreign Institutional Investors (FIIs):

1. In accordance with section 10(34) of the Act, dividend income declared, distributed or paid by the Company (referred to in section 115-O of the Act) will be exempt from tax in the hands of Foreign Institutional Investors (FIIs).
2. According to Section 115AD of the Act, FIIs notified by the Central Government in the official Gazette will be taxed on the Capital Gains that are not exempt under the provisions of Section 10(38) of the Act at the following rates:

Nature of Income	Rate of Tax
Long Term Capital Gains on transfer of Securities	10%
Short Term Capital Gains (other than referred to in Section 111A of the Act) on transfer of securities	30%

The above rates have to be increased by applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess.

3. As per the provisions of Section 90 of the Act, where the central government has entered into an agreement with the Government of any country outside India or specified territory outside India, as the case may be, under section 90(1) of the Act for granting relief of tax, or as the case may be, avoidance of double taxation, then in relation to the assessee to whom such agreement applies, the provision of the Act shall apply to the extent they are more beneficial to the assessee
4. In accordance with section 10(38) of the Act, any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.
5. Under section 196D (2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD of the Act.

In accordance with section 54EC of the Act, long-term capital gains arising on transfer of the shares of the Company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified assets notified for the purpose of investment are Bonds redeemable after 3 years, issued by of Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Notification issued by Government of India specifies that any investment made after 1st April, 2007 cannot exceed Rs.50 lacs.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the specified asset is transferred.

6. Security Transaction tax:

As per Section 36(xv) of the Act, an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transactions entered into in the course of business during the previous year shall be allowed as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head ‘Profits and Gains of Business or Profession’.

D) Persons carrying on business or profession in shares and securities:

As per Section 36(xv) of the Act, an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transactions entered into in the course of business during the previous year shall be allowed as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head ‘Profits and Gains of Business or Profession’.

E) Venture Capital Companies/Funds:

As per the provisions of Section 10(23FB) of the Act, any income of the following companies / funds will be exempt if:

- Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and which fulfils the conditions as may be specified, with the approval of Central Government and notified by the SEBI in the official Gazette; and
- Venture Capital Fund, operating under a trust deed under the provisions of Registration Act or a operating as a venture capital scheme made by the Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and which fulfils the conditions as may be specified, with the approval of Central Government, as notified by the SEBI in the Official Gazette,
- Venture Capital Undertaking, as per the provisions of the Income-tax Act, 1961 substituted by Finance Act, 2007, w.e.f. 1-4-2008, means a domestic company whose shares are not listed in a recognised stock exchange of India and which is engaged in dairy or poultry industry or in the business of:
 - Nanotechnology;
 - Information technology relating to hardware and software development;
 - Seed research and development;
 - Bio-technology;
 - Research and development of new chemical entities in the pharmaceutical sector;
 - Production of bio-fuels;
 - Building and operating composite hotel-cum-convention centre with seating capacity of more than three thousand; or

- Developing or operating and maintaining or developing, operating and maintaining any infrastructure facility as defined in the explanation to clause (i) of sub-section (4) of section 80-IA of the Act.

F) Mutual Funds

In accordance with section 10(23D), any income of:

- a Mutual Fund registered under the Securities and Exchange Board of India Act 1992 or regulations made there under;
- such other Mutual Fund set up by a public sector bank or a public financial institution or authorised by the Reserve Bank of India subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf, will be exempt from income-tax.

(II) UNDER THE WEALTH TAX ACT, 1957 AND GIFT TAX ACT, 1958

- 'Asset' as defined under section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, these are not liable to wealth-tax.
- Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift-tax.
- As per section 56(2)(vii) of the Income-tax Act, in case where individual or Hindu undivided Family receives shares from any person on or after 1st October, 2009
 - without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such shares;
or
 - for a consideration which is less than the aggregate fair market value of the share by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such property as exceeds such consideration; shall be taxable as the income of the recipient.

The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

NOTES:

- All the above benefits are as per tax law as amended by Finance Act, 2010. These benefits will be available only to the sole / first named holder in case the shares are held by joint holders.*
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.*
- In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investments in the shares of the company.*
- We shall not be liable to Career Point Infosystems Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally*

judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

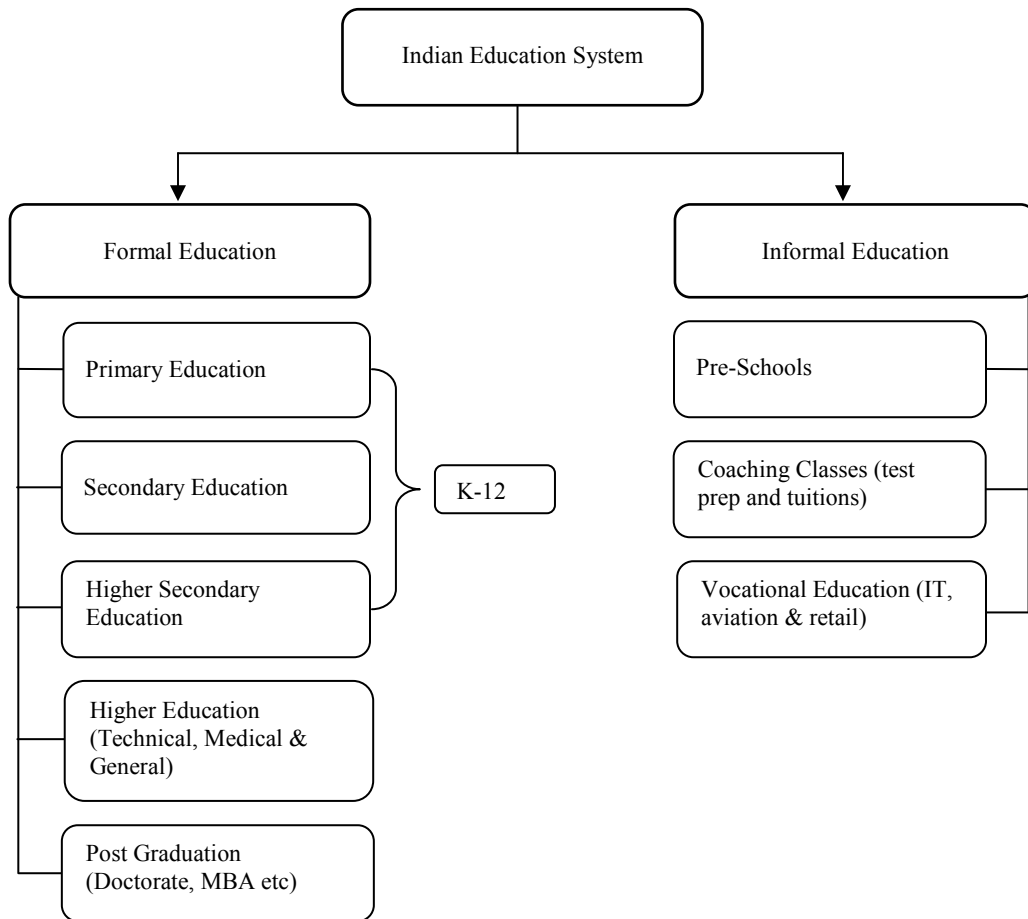
SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from publicly available documents prepared by various third party sources, including the Government of India and its various ministries. This data has not been prepared or independently verified by us or the BRLMs or any of their or our respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "Risk Factors" in this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based on such information.

Indian Education System

Indian education system comprises of formal and informal education. The different aspects of formal and informal education are depicted below:



c. Formal Education:

Formal education comprises of K-12 (mainly schools) and higher education. This segment is highly regulated by various statutory bodies formed by central and state governments.

K-12 Education:

K-12 education in India is delivered through various schools that are affiliated with CBSE, ICSE, state boards and other international boards. These schools are either run by government or by the private sector.

Given below is the segment wise data on K-12 education in India:

Segment	Number of Schools	Enrollment	Teachers
Primary	1,106,304	193,017,831	4,134,646
Secondary & Higher Secondary	171,862	44,166,694	2,107,411

(Source: MHRD Annual Report 2009-10)

There are wide rural-urban disparities in enrollment rates, except in the union territories, North-eastern states, Kerala and to some extent Tamil Nadu. Enrollment rates are particularly low in states like Bihar, Arunachal Pradesh, Jharkhand, Uttar Pradesh, Rajasthan and Madhya Pradesh, with overall enrollment rates below 80%. Gender disparities also tend to be sharpest in states with low aggregate attendance rates.

(Source: National Knowledge Commission Report 2006 – 2009 Government of India)

Initiatives by Government in K-12 education:

Government of India is committed to the Education for All (EFA) goals, which encompass early childhood care and education, primary education, girls' education, as also adult education. Government has implemented number of programmes for the achievement of EFA goals, including, inter alia, Sarva Shiksha Abhiyan (SSA) and Mid Day Meal Scheme (MDM).

- i. **SSA** is the government's flagship programme for achievement of universalization of primary education in a time bound manner, making free and compulsory education to the children of 6-14 years age group, a fundamental right.

SSA is being implemented in partnership with State Governments to cover the entire country and address the needs of 192 million children in 1.1 million habitations.

The programme seeks to open new schools in those habitations which do not have schooling facilities and strengthen existing school infrastructure through provision of additional class rooms, toilets, drinking water, maintenance grant and school improvement grants.

Existing schools with inadequate teacher strength are provided with additional teachers, while the capacity of existing teachers is being strengthened by extensive training, grants for developing teaching-learning materials and strengthening of the academic support structure at a cluster, block and district level.

SSA has not only been able to improve access to 98% at primary level but have also been able to reduce out of school children to 3-4% of 6-14 years age group.

- ii. **MDM** is the world's largest school feeding programme reaching out to about 117.7 million children in over 9.50 lakh schools/EGS centres across the country. MDM Scheme was introduced in 1925 for disadvantaged children in Madras Municipal Corporation. From 2008-09 i.e. w.e.f 1st April, 2008, the programme covers all children studying in Government, Local Body and Government-aided primary and upper primary schools and the EGS/AIE centres of all areas across the country. 84.1 million primary students and 33.6 million upper primary students i.e. a total of 117.7 million students are estimated to be benefited from MDM during 2009-10.

Secondary education serves as a bridge between primary and higher education and prepares young persons between the age group of 14-18 years for entry into higher education or work situations.

Successful implementation for SSA for provision of universal elementary education to almost 100% of the relevant age group by 2010 is likely to create a surge in demand in the secondary schools. The MHRD believes that it is essential to remain prepared to meet this rise in demand through advance action to provide universal access to quality secondary education preferably within a distance of 5 to 7 Kms. from any habitation.

To meet the growing demand for access to secondary education, some of the major initiatives proposed to be taken by the Central Government during Eleventh Five Year Plan include launching the scheme of Rashtriya Madhyamik Shiksha Abhiyan, setting up of 6000 model schools, National Means cum Merit Scholarship scheme, etc.

The Eleventh Five Year Plan (Plan) places high priority on education as a central instrument for achieving rapid and inclusive growth with specific emphasis on expansion, excellence and equity. This is evident from the proposed allocation of Rs 3 trillion, a four fold increase over the Tenth Five Year Plan. The share of education in the total Plan will accordingly increase from 7.7% to 20%.

Initiatives to improve school education in the Plan include reorienting SSA with a strong rights focus to make Right to Education a reality. Under the Scheme for Universal Access and Quality at the Secondary Stage, 6000 new high quality model schools are to be set up, with at least one school in each block. The first stream will consist of 2500 public funded schools (2000 in KVs (Kendriya Vidyalayas) and 500 in NVs (Navodaya Vidyalayas) template) to be launched in the educationally backward blocks which have a significant SC, ST, OBC and minority population. The second stream of about 2500 schools would be set up through Public Private Partnership in other Blocks with emphasis on geographical, demographic, gender and social equity.

To impart functional literacy to adult illiterates in the 15-35 age group, the National Literacy Mission (NLM) was launched in May, 1988. The goal of NLM is to achieve 80% literacy rate by the end of the 11th Plan period. The main schemes of the NLM are the schemes of Literacy Campaign and Operation Restoration which include the Total Literacy Campaign for imparting basic literacy to the adult illiterates, followed by the Post Literacy Programme for the reinforcement of the literacy skills of the new literates. The continuing Education Programme provides opportunities for life long education to the community at large.

(Source: MHRD Annual Report 2008-09 and websites - ssa.nic and education.nic viewed on February 18, 2010)

Higher Education:

Higher education is governed by UGC, comprising graduate/ medical/ engineering courses. It caters to the 17 years and above age group. Providing higher education for this age group is imperative and has to be provided on an unprecedented scale to meet the challenges of this unique demographic trend. The higher education sector currently faces major challenges of quality and excellence, and of improving access with inclusiveness. Access to higher education in terms of the available number of seats in universities is simply not adequate in relation to the current demand. There are also large disparities in enrollment rates across states, urban and rural areas, sex, caste and poor-non-poor. The Government, through its Eleventh Five Year Plan, has a target to increase the percentage of students, in the relevant age group, enrolling in higher education to 15% by year 2011-12.

As on December 31, 2009, there are 504 universities comprising of 243 state universities, 53 state private universities, 40 central universities, 130 deemed universities, 5 institutions established under state legislations and 33 institutes of national importance established by central legislation. In addition, there are 25,951 colleges including around 2,565 colleges for women. At the beginning of the academic year 2009-10, the total number of students enrolled in universities and colleges has been reported to be 13.64 millions i.e. 1.67 millions (12.24%) in universities and 11.97 millions (87.76%) in affiliated colleges.

Apart from above, as on March 18, 2010, there are 59 private universities established under various States with state of Rajasthan having majority of private universities.

(Source: MHRD Annual Report 2009-10, website of UGC and planning commission viewed on May 26, 2010)

Issues in the Current Framework

Expansion: While there has been a consistent growth in enrollment in higher education over the last few years, this is not enough when compared to other countries. The GER for higher education currently is around 10% whereas it is 25% for many other developing countries. Even South-east Asian countries show much higher enrollment: Philippines (31%), Thailand (19%), Malaysia (27%) and China (13%). The enrollment figure for the US is 81%, 54% in the UK and 49% in Japan. Various committees that have examined the higher education scenario in India have recommended an increase in the GER to at least 20 %. For instance, the CABE Committee on Financing of Higher Education concluded on the basis of international experience that an enrollment rate of 20 % or more is consistent with a turnaround in economic performance. If India has to achieve the target soon, it would imply more than doubling the scale and size of the higher education system within the next 5 to 7 years.

Private institutions: The share of private unaided higher education institutions increased from 42.6% in 2001 to 63.21% in 2006. Their share of enrollments also increased from 32.89% to 51.53% in the same period. This trend is likely to continue and therefore, it is reasonable to expect that about half of incremental enrollment targeted for higher education will come from private providers. There is a need for the state to recognise the role of the private sector and encourage their participation. There has already been a de-facto privatisation of the professional education sector, with more than 80% of the engineering colleges being privately funded and managed. While there are strict entry barriers for the private sector, there is not enough regulation on the products and outputs of the private sector.

Accreditation: Accreditation in higher education pertains to determining the quality of an institution. The criteria on which institutions are judged typically involve expected student achievement, quality of curriculum, faculty, academic support and services for students, and financial capacity. In India, accreditation (unlike in other countries such as US and UK) is performed by government agencies. The National Assessment and Accreditation Council (NAAC) was set up by the UGC in 1994 to accredit institutions of higher education. The NAAC's assessment is based on pre-determined criteria that combine self-study and peer review. NAAC accredits and certifies for educational quality in institutions based on seven criteria with different weights for each criterion, and for different types of institutions. NAAC has so far completed accreditation of only 140 out of the 355 universities and 3,492 out of the 18,064 colleges. This covered just over 10 % of all institutions, and barely any private colleges and universities. The results of the accreditation process thus far indicate serious quality problems. Only 9 % of the colleges and 31 % of the universities are rated as 'A' grade and the rest fall in 'B' and 'C' categories. Accreditation by NAAC is voluntary and valid for five years. However, very few institutions have applied for accreditation by NAAC.

(Source: National Knowledge Commission Report 2006 – 2009, Government of India)

Technical Education:

The technical education system in the country can be broadly classified into three categories, viz. Central Government funded institutions, State funded institutions & Self-financed institutions. In 2008-09, there were 63 Centrally funded institutions of technical and science education besides two Apex level Councils, namely, All India Council for Technical Education (AICTE) and the Council for Architecture.

The details of AICTE approved degree level technical institutions for the academic year 2008-09 and 2009-10 are summarized below:

S. No.	Programme	Number of Institutes			Intake of Students		
		Aug-08	Jun-09	% increase	Aug-08	Jun-09	% increase
1	Engineering & Technology	2,388	2,872	20%	0.84mn	1.07mn	27%
2	Architecture	106	106	0%	4,133	4,133	0%
3	MCA	1,137	1,169	3%	0.08mn	0.08mn	-4%
4	Pharmacy	1,001	1,080	8%	0.06mn	0.07mn	10%
5	Applied Arts & crafts	10	12	20%	840	935	11%
6	MBA	1,231	1,565	27%	0.11mn	0.14mn	27%
7	PGDM	285	375	32%	0.04mn	0.04mn	20%
8	Hotel Management	86	93	8%	5,847	6,387	9%
	Total	6,244	7,272	16%	1.15mn	1.41mn	23%

(Source: MHRD Annual Report 2008-09 and 2009-10)

As per the above details Engineering & Technology Institutes are highest in numbers and in intake of students and MBA Institutes rank second.

Initiatives by Government for higher and technical education through Eleventh Five Year Plan:

In Higher and Technical Education the focus of the Eleventh Five Year Plan is on expansion, inclusion and rapid improvement in quality by enhancing public spending, encouraging private initiatives and initiating the long overdue major institutional and policy reforms. The Eleventh Plan aims at expansion with the establishment of 30 new universities. Further, 8 new IITs, 7 new IIMs, 20 new IIITs, 5 new Indian Institutes of Science, 2 Schools of Planning and Architecture, 10 NITs, 373 new degree colleges and 1000 new polytechnics will also be set up. In establishing these institutions the scope for Public Private Partnership will be explored. The Plan also recognises the need for the review of regulatory institutions such as the UGC, AICTE, MCI and BCI. Subsequently, a High Level Committee has been set up to suggest a specific reforms agenda in this context. For rejuvenation of research in Universities a National Science & Engineering Research Board is proposed. A provision of Rs. 5,000 crore has been made in the Eleventh Plan for an 'Education Mission through ICT' to leverage the potential of ICT to enhance the GER in Higher Education. The Plan also envisages the setting up of a National Knowledge Network (NKN) interconnecting all knowledge institutions in the country with gigabit capabilities, for sharing resources and research. To operationalise the first phase of the NKN, 1000 institutions would be linked up.

(Source: National Knowledge Commission Report 2006 – 2009 Government of India)

As of 2008-09, the major achievements in Higher and technical education during Eleventh Five Year Plan in various areas are as follows:

- Expansion of intake capacity of CEIs by 54% was taken up, consequent on implementation of CEI (Reservation in Admission) Act, 2006.
- Six new IITs have been established for Rajasthan, Bihar, Gujarat, Orissa, Andhra Pradesh and Punjab.
- Two new IITs in Mandi (Himachal Pradesh) and Indore (Madhya Pradesh) are expected to commence during 2009-10.
- IIIT (Design & Manufacturing) Kancheepuram, whose establishment was approved by the Cabinet in 2004, commenced its academic session in 2007.
- 5 Indian Institutes of Science Education & Research, 2 Schools of Planning & Architecture and 1 IIM have started functioning.
- 15 new Central Universities have been set up on 15.1.2009 in uncovered States which includes conversion of 3 State Universities into Central Universities.
- Indira Gandhi National Tribal University, Amarkantak (Madhya Pradesh) was set up in 2008.
- A New Scheme for expansion and strengthening Polytechnic Education has been launched which includes establishment of 1000 new Polytechnics, strengthening of 500 existing Polytechnics, skill

development through 1000 Community Polytechnics and Construction of 500 Women's Hostels in Polytechnics.
(Source: MHRD Annual Report 2008-09)

Medical Colleges (Providing MBBS Degree) and Dental Colleges:

Medical colleges in India are required to be recognized by the Medical Council of India.

The Medical Council of India was established in 1934 under the Indian Medical Council Act, 1933, now repealed, with the main function of establishing uniform standards of higher qualifications in medicine and recognition of medical qualifications in India and abroad. The number of medical colleges had increased steadily during the years after Independence. Till the year 1947 there were 24 medical colleges and in the year 2009, the number of recognized medical colleges have been increased to 275.

Given below is the list of top 10 states/union territories that are ranked on the basis of annual intake in the recognized/permitted medical colleges in respective states/union territories:

Sr. No.	State/Union Territories	No. of Colleges	Annual Intake
1	Maharashtra	39	4,410
2	Karnataka	36	4,255
3	Andhra Pradesh	32	4,250
4	Tamil Nadu	30	3,615
5	Kerala	21	2,400
6	Uttar Pradesh	19	2,062
7	Gujarat	14	2,055
8	West Bengal	9	1,105
9	Rajasthan	9	1,050
10	Pondicherry	7	825
	Total	216	26,027

(Source: Website of Medical Council of India viewed on February 18, 2010)

Dental Colleges are recognized by the Dental Council of India - a statutory body constituted on 12th April 1949 under an Act of Parliament - the Dentists Act, 1948 (XVI of 1948). At present there are 279 recognised/permitted dental colleges in India.

Given below is the list of top 10 states that are ranked on the basis of sanctioned seats in the recognized/permitted dental colleges in respective states:

Sr. No.	State	No. of Colleges	Sanctioned Seats
1	Maharashtra	33	2,830
2	Karnataka	44	2,440
3	Uttar Pradesh	28	2,430
4	Tamil Nadu	27	2,290
5	Andhra Pradesh	21	1,790
6	Rajasthan	13	1,150
7	Punjab	14	1,010
8	Madhya Pradesh	12	910
9	Gujarat	11	870
10	Haryana	10	860
	Total	213	16,580

(Source: Website of Dental Council of India viewed on February 18, 2010)

d. Informal Education:

Informal education includes coaching classes for various competitive entrance examinations and for sub sectors of formal education, pre-schools and vocational training. This type of education is not governed by any regulatory authority.

Coaching for competitive entrance examinations

Competitive entrance examination is a screening process for providing education in various engineering, medical, MBA, accountancy MCA field. There are various education companies that provide coaching to the students who aspire to get admission in such fields.

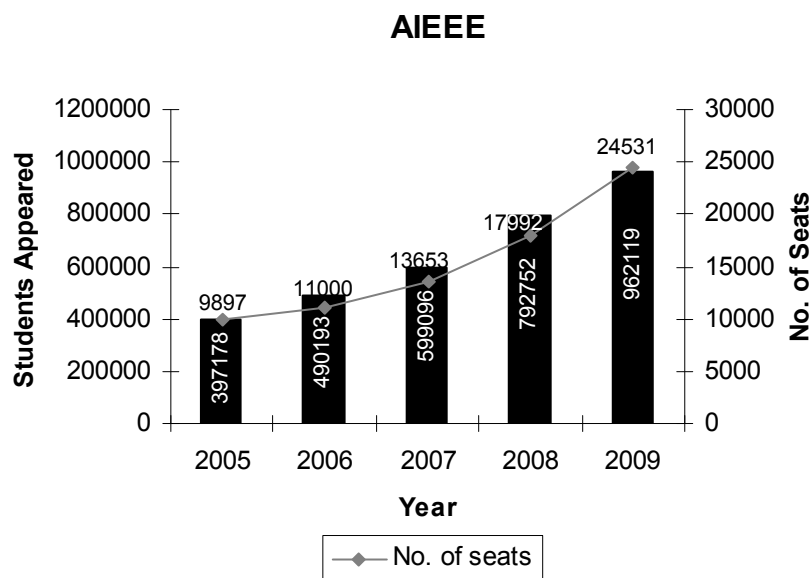
Given below is the overview of some of the competitive entrance examinations:

d. All India Engineering Entrance Examination (AIEEE)

Programme of Action, 1992 under the National Policy on Education, 1986 envisaged conduct of a common entrance examination on all India basis for admission to professional and technical programmes in the country. For admission to Engineering and Architecture/Planning programmes, Government of India vide resolution dated 18th October 2001 has laid down a Three – Exam Scheme (JEE and AIEEE at the National Level and SLEEE for State Level Institutions – with an option to join AIEEE). This takes care of varying admission standards in these programmes and helps in maintenance of professional standards. This also solves problems of overlaps and reduces physical, mental and financial burden on students and their parents due to multiplicity of entrance examinations.

First AIEEE was conducted in the year 2002. Number of students appearing in this exam has increased at a CAGR of 19.4% between 2005 and 2009.

Below mentioned diagram gives an insight of number of students that appeared for AIEEE and number of seats offered through this exam:



(Source: website of AIEEE, viewed on January 01, 2010)

e. Indian Institutes of Technology – Joint Entrance Exam (IIT JEE)

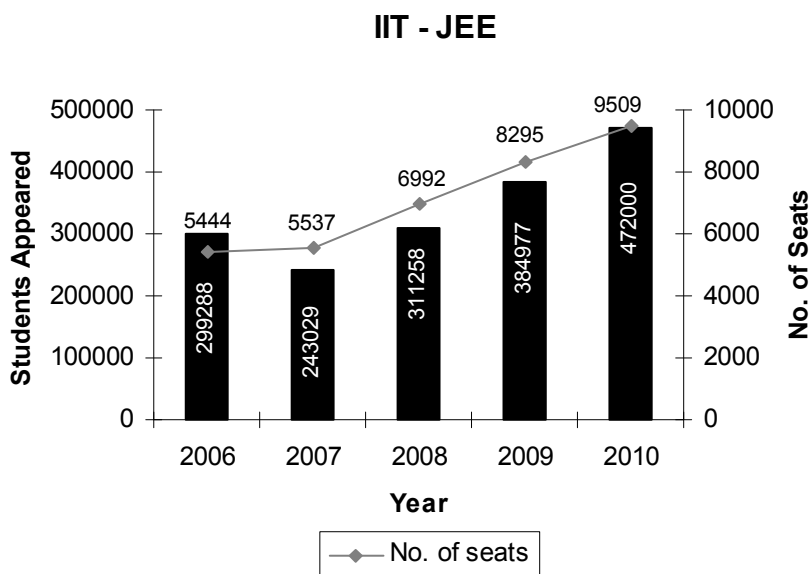
The Indian Institutes of Technology (popularly known as IITs) are institutions of national importance established through an Act of Parliament for fostering excellence in education. The IITs offer undergraduate programmes in various branches of engineering and technology; postgraduate programmes with specialization and Ph.D. programmes in various engineering and science disciplines, interdisciplinary areas; and conduct basic, applied and sponsored research. At present, IITs offer B. Tech., M.Sc., M. Design, M.Phil., M.Tech, and Ph.D. Degrees.

There are fifteen IITs at present, located in Bhubaneswar, Bombay (Mumbai), Delhi, Gandhinagar, Guwahati, Hyderabad, Indore, Kanpur, Kharagpur, Madras (Chennai), Mandi, Patna, Punjab, Rajasthan and Roorkee. Over the years, IITs have created world class educational platforms dynamically sustained through internationally recognized research based on excellent infrastructural facilities. The faculty and alumni of IITs continue making huge impact in all sectors of society, both in India and abroad. IT-BHU, Varanasi and ISM, Dhanbad, are the oldest institutions in India and are known for their contributions towards society at large and for science and technology in particular.

(Source: <http://jee.iitd.ac.in> viewed on January 01, 2010)

The admissions to the undergraduate programmes at these institutions for all Indian and Foreign nationals are made through the Joint Entrance Examination. From the year 2006 to 2010 the number of students appearing for IIT-JEE has increased at a CAGR of 9.5%.

Below mentioned diagram gives an insight of number of students that appeared for IIT-JEE and number of seats offered through this exam:



(Source: IIT press release and website of IIT Madras, JEE and wikipedia, viewed on February 20, 2010 and June 1, 2010)

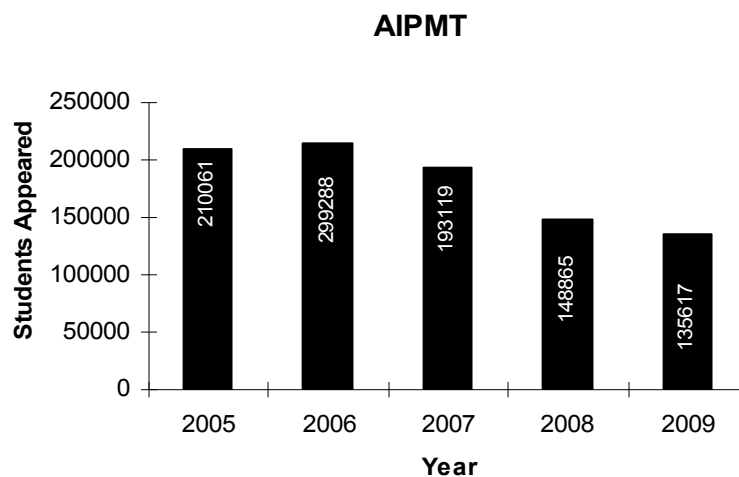
f. All India Pre Medical/Pre-Dental Test (AIPMT)

In compliance with the directive of the Hon'ble Supreme Court of India, the Central Board of Secondary Education, Delhi, conducts the All India Pre-Medical/Pre-Dental Entrance Examination. This entrance examination is being conducted exclusively for the 15% merit positions for the Medical/Dental Colleges of India as specified in the directive of the court and is

governed by the rules and regulations specified for the same by the Government of India, Ministry of Health and Family Welfare from time to time.

(Source: Website of AIPMT, viewed on February 18, 2010)

Below mentioned diagram gives an insight of number of students that appeared for pre-medical test/pre-dental test:

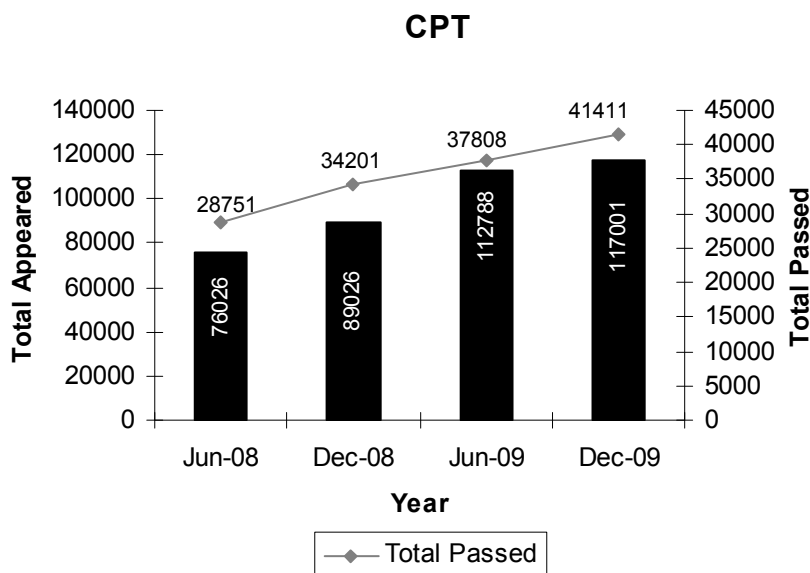


(Source: CBSE Annual Report FY09 and MHRD Annual Report 2009-10)

g. Common Proficiency Test (CPT)

CPT is an entry level test for Chartered Accountancy Course. This test is held twice in a year in the month of June and December every year. A student appeared in senior secondary examination is eligible for appearing in CPT.

The chart below depicts the details of students appeared and passed in June 2008 to December 2009:



(Source: website of ICAI, viewed on February 19, 2010)

Growth Drivers in the Education Sector

Increasing population and lower literacy rate

Population (millions)	1109.8
Population growth rate (%)	1.3
Population ages 0-14 (millions)	362
Population ages 0-14 (% of total population)	32.6
Adult literacy rate (%) [M/F]	[77/54] 66

(Source: UNESCO Institute of Statistics, World Bank, UNAIDS, ILO, Household Surveys, IMF, Country Data are for the most recent year available in 2000-2005.)

Increasing population and constitution of 32.6% of population in the age group of 0 to 14 years will lead to increase in number of schools, colleges and universities.

Adult literacy rate of India is lower than that of countries like Malaysia (92%), China (93%), Burma (90%), Saudi Arabia (85%) and UAE (90%).

(Source: Website of Human development reports, viewed on January 01, 2010)

In order to improve the literacy rate plans like SSA, MDM etc have been introduced by Government. Table below gives the gist of education financing by Government of India.

Public Education Spending (% of GDP)	3.2
Public Education Spending (% of Government Spending)	10.7
Share of Education Spending by level of education (%)	
- Primary	35.6
- Secondary	42.9
- Tertiary	19.6
- Other	1.9

(Source: UNESCO Institute of Statistics, World Bank, UNAIDS, ILO, Household Surveys, IMF, Country. Data are for the most recent year available in 2000-2005.)

To fund the basic education, Government has levied an education cess at the rate of 2% on the payment of customs, excise and service tax. Apart from education cess, additional 1% secondary and higher education cess has been imposed under the Finance Act, 2008 to fund the expansion facilities for higher education.

(Source: Website of India Budget, viewed on February 20, 2010)

Increasing per capita income

Per capita income at current prices during 2009-10 is estimated to be Rs. 43,749 as compared to Rs. 40,141 during 2008-09, showing a rise of 9%. Increasing per capita income reflects improvement in the living standards of an average Indian. This would contribute to increase the spending on education.

(Source: Website of Central Statistical Organisation, viewed on February 20, 2010)

Budget plan for 2009-10 and 2010-11

For developing existing Universities, colleges and institutes, Government has made an outlay of approximately Rs. 94 billions towards Plan expenditure and approximately Rs. 19 billions towards Non-Plan expenditure during the budget for the year 2009-10. (Source: Website of Department of Higher Education, viewed on November 19, 2010)

In the budget for the year 2010-11, plan allocation for school education has been increased by 16% from Rs. 268 billions in 2009-10 to Rs. 310 billions in 2010-11. In addition, states will have access to Rs. 36.8 billions for elementary education under 13th Finance Commission Grants for 2010-11. (Source: Website of indiabudget.nic viewed on May 26, 2010)

Migration to Knowledge Economy

India is one of the fast growing developing economies in the world. The growth in GDP during 2009-10 is estimated at 7.2% as compared to the growth rate of 6.7% in 2008-09. India is migrating towards a services driven economy with the contribution of service and industry sectors to GDP increasing year on year.

Sector's contribution in GDP	2000-01	2004-05	2008-09
Service	50.46%	52.62%	53.70%
Industry	26.19%	28.18%	28.83%
Agriculture	23.35%	19.20%	17.47%

(Source: Website of Central Statistical Organisation, viewed on February 20, 2010)

The lateral shift to a services economy is resulting in migration of people to cities and towns leading to mass urbanization. Urbanization occurs from individual and corporate efforts to improve opportunities for jobs, education and housing. It permits individuals and families to take advantage of the opportunities of proximity, diversity, and marketplace competition. Increasing urban population and demand for skilled workforce creates the need for education through better infrastructure, well-established management and innovative products for teaching.

OUR BUSINESS

In this section, unless the context requires otherwise, any reference to the terms “we”, “us” and “our” refers to our Company. Unless otherwise stated, all financial and other data regarding our Company’s business and operations presented in this section is on a standalone basis.

Company Overview

We are a tutorial services provider in India. We provide tutorial services to high school and post high school students for various competitive entrance examinations including All India Engineering Entrance Examination, Indian Institute of Technology – Joint Entrance Examination and All India Pre-Medical and Pre-Dental Test. The tutorial services are provided through our classroom training programmes conducted through a network of Company Operated and Franchisee Centres. As at July 31, 2010 we had 17 Company Operated Training Centres and 16 Franchisee Centres and during the four months period till July 31, 2010 we have received 28,626 enrollments. We have a team of 231 faculty members as on July 31, 2010 (excluding faculty members of franchisees) comprising of graduates in engineering and science. We have, over a period of time, built our content repository of over 10,000 pages of text content and over 12,000 minutes of video content for various tutorial services offered by us. For students who are not able to attend our regular classroom programme, we offer distance learning programme comprising of correspondence and test series courses which have been systematically designed to provide effective and efficient education to students in a simple and lucid manner.

We plan to use technology as a tool to provide access of our content repository to students across India. To leverage our content repository and to provide a personalized learning environment to our students, we have recorded the lectures of our experienced faculty members through Career Point Knowledge Lab. Further, we have designed and developed Synchro-School programme to synchronize preparation for competitive examination with formal school education.

We have recently forayed into Education Consultancy and Management Services (‘ECAMS’), catering to K-12 and Higher Education segments. Further, to address larger base of potential students, we have introduced technology enabled education delivery platform for delivering content through ‘TechEdge Class’.

For the year ending March 31, 2010, our total standalone restated revenues and adjusted net profit, were Rs. 678.01 million and Rs. 198.69 million, which represents 38.27% and 22.34% increase, respectively from the year ended March 31, 2009.

Given below is the table showing enrollment data of our Company during Financial Year 2008, 2009 and 2010:

Particulars	Financial Year			
	2008	2009	2010	2011*
IIT-JEE	5,164	4,296	5,560	6,190
AIEEE	15,628	16,730	20,640	18,253
AIPMT	1,643	1,141	908	3,606
Distance learning programs	5,581	5,543	4,690	577
Total	28,016	27,710	31,798	28,626

**Represents number of enrollments during the four months period till July 31, 2010.*

Competitive Strengths

We believe the following competitive strengths contribute to our success and differentiate us from our competitors:

Commitment to offering quality courses and student success

We offer quality tutorial courses, and intend to improve the learning experience for our students. We believe offering quality academic courses is contingent upon recruiting and retaining experienced faculty members, providing updated educational content and effective academic administration and control on content delivery. We retain faculty and instructors with relevant industry experience and appropriate academic credentials. Our Research and Development Cell helps in reassessing and updating our tutorial courses on a regular basis which also helps us in designing new academic courses. Our academic management team prepares clear and well defined layouts for content delivery by each of our faculty members. It also administers content delivery by obtaining regular feedbacks from our students for each faculty member. Such feedbacks are then compiled, analysed and compared by respective HoDs with our standard procedures for content delivery. In case of any deviations, we take remedial measures to restore the delivery of our standardized content.

Strong brands and geographic presence

We believe that our training centres have established a competitive position and brand recognition in our markets. We currently have presence across 13 states (including our Franchisee Centres) which provide access to major markets in northern and eastern India. Also, our Kota centre draws students from across the country and from Singapore and the Middle East, which in turn reinforces the brand equity and our geographical reach.

Qualified faculty team

We believe that our qualified and experienced faculty members contribute to our success. Our faculty members are graduates in engineering and science from Indian Institute of Technology, National Institute of Technology and other colleges in India. Our faculty members are well equipped with subject knowledge guiding and tutoring students. We also have an ongoing in-house faculty training facility which ensures that all our faculty members undergo training on our teaching methodologies and skills and subject matter of relevant courses and to keep them abreast of the changes in competitive entrance examination trends and changing student needs.

Experienced management team

Our senior management team, comprising of senior vice presidents and above, has collective experience of over 65 years and over 13 years of average experience in the education industry. We believe our management led by our Promoters, some of whom have extensive tutorial experience, have deep understanding of the education industry, which enables us to successfully manage our operations and facilitate our growth.

Quality teaching methodology

We have over a period of time developed a scientific teaching methodology and system of teaching, which we believe is essential for success in any competitive entrance examination. We understand that in order to achieve success, one needs knowledge which should be acquired through a comprehensive systematic approach, rigorous practice, time management and confidence.

Our focus is to train our students by developing necessary conceptual knowledge base, enhance speed and accuracy levels, infuse confidence and build the right temperament to face the competitive entrance examination. In such competitive examinations, we believe our teaching methodology plays a key role in enhancing students' overall performance.

Growth Strategies

Our goal is to strengthen our role as a leading and diversified provider of tutorial services in relation to various competitive entrance examinations and emerge as a significant player in ECAMS by continuing to pursue the following growth strategies:

Development of integrated campus facility

We currently operate 17 Company Operated Training Centres and 16 Franchisee Centres. Our Company Operated Training Centre at Kota attracts highest number of students in terms of enrollments when compared with our other training centres. Realising the need of our students, we are constructing an integrated facility at Kota. We expect to complete the construction of our integrated facility at Kota by Fiscal 2012. In addition to catering to the existing student base, the new integrated facility will also allow us to increase our enrollments. In order to support the expansion, we will also be increasing the number of faculty with a view to ensure adequate faculty student ratio. Further, we believe developing an integrated facility would increase our role in addressing essential needs of our students in addition to the tutoring services, which in turn will help us in tapping a wide range of the revenue flows arising out of the expenses incurred by a student during his stay at Kota.

Enter new geographic markets and new course offerings

We intend to enter new geographic markets and increase course offerings which will increase our diversification and potential for future course expansion.

- New geographic markets: The size of the potential education market in India is estimated to comprise of approximately 1.3 million schools and approximately 237 million students in the primary, secondary and higher secondary segment. We believe we can increase our student enrollments by entering new geographic markets that offer significant growth potential. In particular, we look to expand in those markets which offer optimum opportunities in terms of student enrollments based on parameters like lack of proper education, aspiration of students, socio-economic background.
(Source: Annual Report of Ministry of Human Resource Development for the year 2009-2010)
- New course offerings: We intend to continue enhancing our course offerings to meet the evolving market demand in fields which do not form part of our traditional offerings. As we introduce new course offerings, we intend to achieve higher number of student enrollments. We will leverage our in-house development capability and third-party consultants to develop new products in areas that we believe will further enhance our growth and profitability. We will also leverage our existing network, customer base, brand reputation, franchise operating experience and educational capabilities when we enter into new market segments. For example, we may seek to provide tutorial services in specialties other than engineering and medical. We also intend to foray into course offerings relating to vocational education and training.

Reaching students through our innovative products

- TechEdge Class

TechEdge Class is a concept based on virtual classroom environment which replicates the model of a real classroom with the help of VSAT/VPN technology. In a TechEdge Class, students interact with instructors online using audio and video conferencing facility. To ensure a smooth functioning of this model, TechEdge Classes are equipped with computer systems, headphones and software to provide synchronous learning environment.

Through this delivery platform we are able to deliver lectures at multiple locations simultaneously. From our experience we believe that an average student raises certain standard sets of questions on any

topic, which with the help of TechEdge Classes gets addressed to a much wider base of students. This helps us in minimizing our time and cost in terms of resource deployment. Further, the cost involved in setting up TechEdge Class is relatively low. This coupled with minimum human interface enables us to expand our offerings to remote locations where setting up a full fledged training centre is not economically viable. In order to reach the students through this technology, we have entered into an agreement with Hughes Communication India Limited ('HCIL') for providing satellite based interactive services through HCIL's network spread across India.

- Expansion of Synchro-School Programme through technological initiatives

We also intend to provide Synchro-School Programme under our TechEdge Class initiative through VSAT/VPN technology and learning management software. This will facilitate our experienced faculty members to conduct lectures at schools situated at remote locations.

- Career Point Knowledge Labs

The academic requirements of students tend to be diverse and to meet them efficiently we have launched a technology based personalized learning solution which is provided at our Career Point Knowledge Labs. Career Point Knowledge Labs intends to supplement existing learning process as a reinforcement of knowledge learnt. We provide pre-recorded varied educational content developed by our faculty members in video and digital format. Apart from content created exclusively for Career Point Knowledge Labs, content developed by our faculty members in TechEdge Class will also be distributed through these Career Point Knowledge Labs. We intend to increase the number of Career Point Knowledge Labs across the nation. We believe that this concept would address the personalized learning needs of students and revolutionize the process of learning for competitive exams.

Continue to leverage and expand our content development

We have already developed content for various competitive examinations for which we provide tutoring services. We believe that quality content will continue to be an important factor driving the success of education business. We continuously enhance the quality and also the breadth of our content by developing our own content and may enter into strategic tie-ups for sourcing content from international content providers. We also intend to expand our content delivery platform. Our in-house content development model enables us to offer ready solutions to our students and the capability to quickly provide content to enter newer markets.

Opportunistically pursue strategic acquisitions

In evaluating potential acquisitions, we seek to pursue selective strategic acquisitions and joint venture opportunities to augment our capabilities, broaden our service offerings and increase our geographical presence with the potential for course replication at our existing centres, new course offerings, and new markets with attractive growth opportunities. Our potential targets are companies involved in the education sector or companies engaged in providing services to the education sector and whose operations can be scaled up by leveraging our experience.

Participation in formal education through ECAMS

We believe there is a huge potential for ECAMS in the K-12 and Higher Education segment in India. We will explore opportunities to provide ECAMS to a number of privately and/or Government-run schools, colleges and universities. We also intend to enter into partnerships with the Governments under the PPP model to manage schools, colleges and universities in rural and/or urban areas.

Our Network

Our network of training centres consists of Company Operated Training Centres and Franchisee Centres. The following table sets forth the numbers of our Company Operated Training Centres and Franchisee Centres as of July 31, 2010.

Training centres	No. of centres
Company Operated Training Centres	17
Franchisee Centres	16



Our Products and Services

Our Company operates in two core business areas namely Tutorial services and ECAMS.

Tutorial Services

Our various course offerings under the tutorial segment for competitive entrance examinations include IIT JEE, AIEEE, SLEEE, AIPMT, NTSE, KVPY and Science Olympiad.

We operate our tutorial services business through four delivery platforms:

- (a) Our classroom training program, which consists of Company Operated Training Centres and Franchisee Centres;
- (b) Distance Learning Programme;
- (c) Synchro-School Programme; and
- (d) Career Point Knowledge Labs.

Following is a brief description of our various delivery platforms forming part of our tutorial service offerings:

- Training Centre Platform

(a) Company Operated Training Centres

In our Company Operated Training Centres, we provide tutorial services with educational content, including course materials and assessment services, in accordance with standardised teaching and testing methods. Our standardised teaching methods are developed and regularly updated by our Research and Development Cell. In Company Operated Training Centres, the management and execution is directly controlled by our Company, through a set of faculty members and managerial staff selected by our key management team. Course fees are based on the course opted, duration of the course and geographical location of the training centre. We accept the fees in a lumpsum and/or on installment basis depending upon the course opted for by the student. Our Company Operated Training Centres accounted for 95.81% of the restated standalone operational revenue for the year ended March 31, 2010.

The first training centre was started in May 1993 under a proprietary concern, and as of July 31, 2010, we operate 17 Company Operated Training Centres in 15 cities.

We believe our Company Operated Training Centres are important in:

- (i) demonstrating to our franchisees our successful methodologies; and
- (ii) developing and testing new courses, marketing and management methods before introducing them to our broader educational network.

(b) Franchisee Centres

Our first Franchisee Centre was established in 2002 at Bareilly, Uttar Pradesh. Since then, the number of our Franchisee Centres has as of July 31, 2010, totaled to 16 Franchisee Centres spread across 16 cities of India.

For each of our Franchisee Centres we enter into a franchise agreement for a period of three to four years. These franchisee agreements are in a standard form and require payment of an upfront fee to our Company and subsequently certain percentage of the gross fees earned from the enrollment of students. We provide study material, student record forms, information booklets to the franchisee and they are required to provide us with periodic business reports. Further, the franchisee agrees not to involve in any business activity similar to that of our Company for a period of two years from the date of termination of the franchise agreement.

We select new franchisees using the following qualification criteria:

- (i) Potential market for our courses;
- (ii) Educational background and experience of the prospective franchisee; and
- (iii) Financial soundness.

In addition to the qualification criteria above, we also take into consideration the geographic location of the franchisee candidate. Our geographical expansion will primarily target cities with high potential demand for education services where we have limited presence.

After assisting our franchisees in opening new training centres, we communicate with them through following (i) a Franchisee Centre's monthly operations reporting or more frequent reporting as needed, (ii) discussions with respect to the franchise training centre's performance based on our monitoring of key performance indicators, (iii) annual and quarterly franchisee meetings, (iv) annual budgeting for each training centre, and (v) proposed changes to standardization procedures.

We monitor our franchisees to ensure that they are able to maintain the academic and operational integrity of the centres in accordance with our standardized operating procedures. Franchisees are required to operate their centres in conformity with these procedures, and to offer courses in accordance with the standardized curriculum.

We reserve the right to terminate relationships with franchisees who consistently fail to meet our performance standards.

- Distance Learning Programme

Our distance learning programme comprises of correspondence and test series courses primarily aimed at providing effective and efficient education to students who are not able to attend our regular classroom courses. Our correspondence and test series courses are designed to enable the student to understand the subject matter in a simple and lucid manner. Enrollments for distance learning programs takes place at all our Company Operated Training Centres as well as Franchisee Centres.

Under distance learning programme, for each course we divide the entire syllabus into modules. Study material and test series based on these modules are provided to the students. We also provide regular guidance to such students through correspondence.

In test series program, we conduct tests as per a pre-determined schedule at our authorized test centres. We provide feed back to each student on their performance and also give guidance to improve the same. We have a team of faculty members for our distance learning programme, who execute all activities in respect of course delivery.

The course fee varies from course to course depending upon deliverables and duration of the course.

- Synchro-School Programme

Synchro-School Programme is a unique combination of providing tutoring for competitive entrance examination integrated with school education through association with schools. We believe this course enables better utilization of the time spent by a student in school. Also, this delivery platform serves the dual benefit of not having to incur any infrastructure cost as the services are typically provided at the respective schools and at the same time getting access to a broad student base, without incurring substantial marketing costs. We believe Synchro-School Programme is an effective means to provide our services to school going students since we are able to synchronise the school course curriculum with tutoring students for competitive entrance examinations. Synchro-School Programmes are funded by either the school or by the students depending on a case to case basis. Our Synchro-School contracts are typically valid for one academic year, subject to renewal with mutual consent. We currently operate our Synchro-School Programme at two locations through tie-ups with schools.

We intend to tie-up with more schools to provide our services to school going students. We believe this will increase our penetration and student enrollments with relatively low investment, thus resulting in better operating efficiency. We further believe that this will enable us to explore new areas of business which will give us an advantage over our competitors.

- Career Point Knowledge Lab

To leverage the experience of our skilled faculty members and to provide a personalized learning environment to students, we have recorded the content delivered by our key faculty members and added it to our content repository. We deliver such content repository through Career Point Knowledge Lab. Career Point Knowledge Lab is a screen based, education delivery system which is aimed at providing quality content on requirement based ideology. Further, Career Point Knowledge Lab is also based on the premise of ‘reinforced learning’ which means that students forming part of heterogeneous group possess different levels of knowledge retention capability. Hence, in order to cater to such larger group, we believe Career Point Knowledge Lab is an effective source of reinforcing the learning which can be accessed by our students at their convenience. Moreover, this delivery platform is based on the ‘need’ and ‘preference’ based ideology of our students i.e. to say flexible timings of Career Point Knowledge Labs helps the students to access the content repository at his /her convenience and of his/her choice.

Education Consultancy and Management Services

We provide management services through ECAMS to schools, colleges and universities.

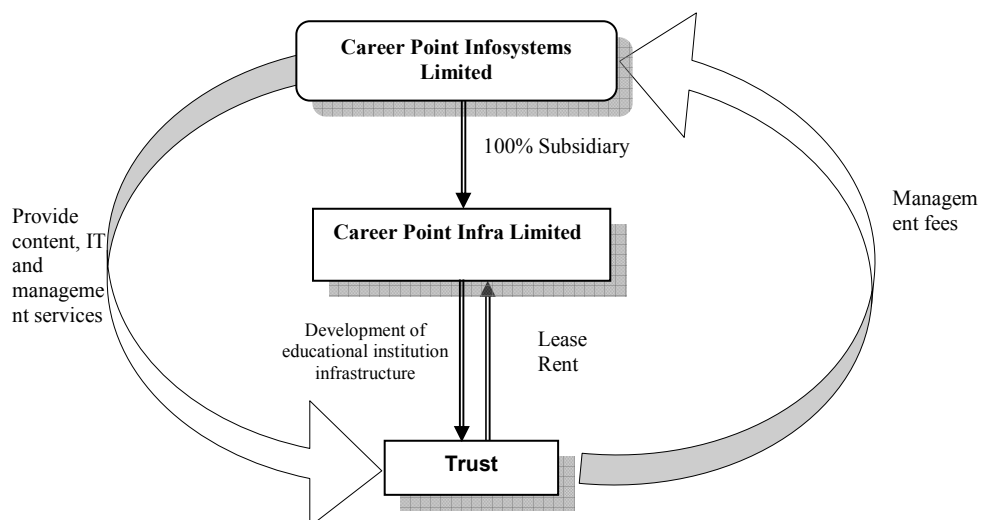
In order to leverage on our experience, we have forayed into ECAMS. In this regard, we enter into ECAMS contract with educational institutions. Presently, we are providing ECAMS to Global Public School situated at Kota, off-campus of Singhanian University situated at Kota and Gopi Bai Foundation Trust Kota (Raj.) for their proposed university at Kota namely Career Point University. Under ECAMS we provide necessary management services which include laying strategic plan, human resource management services, administrative services, advisory services and information technology related services.

Under an ECAMS contract, we also assist in identification of appropriate locations for opening of the schools, universities and institutes, preparation of strategies for new schools/universities/institutes, human resource management service for teaching as well as non-teaching staff, administrative services, IT related services including training to the staff, marketing, branding and education development activities, management and maintenance of complete financial system; and advising and conducting cultural, social and sports activities; advisory services including facilitation and assistance in securing licenses, clearance and ‘no-objection certificates’ required for carrying on the activities.

Infrastructure Support Services

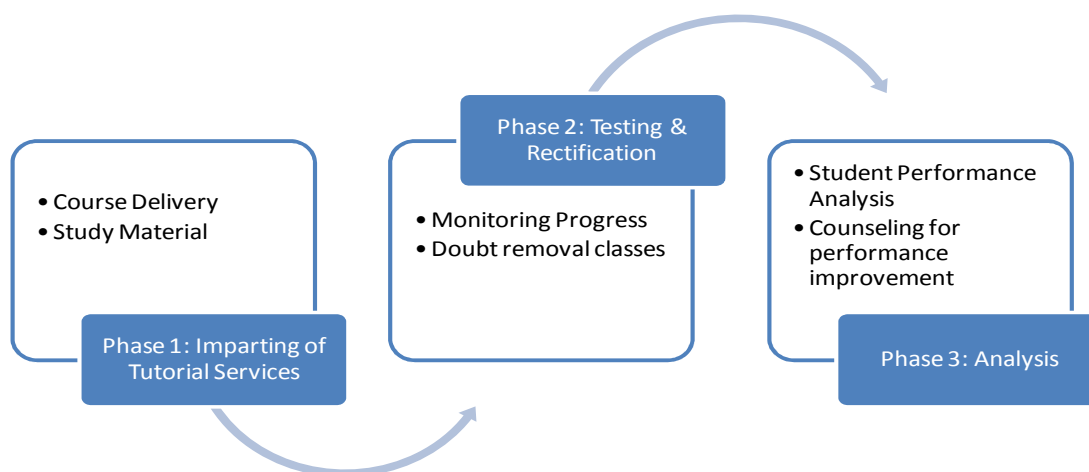
We believe that educational institutions may look towards asset light models, where they would outsource their capital intensive infrastructure requirements to focused third party infrastructure developers. We provide similar services through our wholly owned subsidiary viz. Career Point Infra Limited (“CP Infra”). CP Infra is in the field of rendering infrastructure and allied services for setting-up of physical infrastructure for educational institutions. CP Infra plans to leverage upon our rich experience in understanding the dynamics of infrastructure requirements in the education sector. Our experience has helped CP Infra in assessing the market requirements and customer behavior pattern. Understanding the needs of the education sector, CP Infra has already procured lands at Kota and Jodhpur which may be developed effectively to address the needs of educational institutions. In this regard, we have entered into an infrastructure support contracts for providing infrastructure support services with Gopi Bai Foundation Trust Kota (Raj.) for setting up of their proposed university at Kota, namely Career Point University.

The revenue model for ECAMS and infrastructure support services is as under:



Course Delivery Process

Following chart explains our course and content delivery process, which consists of the following:



Following is the description of the above chart:

Phase 1: Imparting Tutorial Services

- *Course delivery* - We adopt uniform approach for all our classroom sessions, where fundamentals of each subject are taught in a very simple and lucid manner.
- *Study material* - To enhance effectiveness of our training, we provide study material to our students. Our study material comprises of a systematic coverage of relevant theory notes on each chapter prescribed under the syllabus of respective examinations.

Phase 2: Testing & Rectification

- *Monitoring sheet* - To monitor day to day progress of a student, we have devised a concept called Daily Practice Problem Sheet. Under this concept, each student is given about 10 questions based on the previous and immediately previous lecture / session in every class.
- *Doubt removal classes* - For every topic, we conduct doubt removal classes regularly where our faculty members clarify even slightest doubts of students in order to ensure complete preparation.

Phase 3: Analysis

- *Student performance analysis* - We conduct scheduled periodic tests. Computerised results are given to each student. We analyse these results to monitor the performance of students on personal and relative scale.
- *Counselling* - We undertake such sessions with the key objective to prepare the students to face competitive examination environment with confidence and competence.

Marketing and Student Enrollments

We employ a variety of marketing methods to attract students and increase enrollments. We benefit from word-of-mouth referrals by our students and instructors. We also organize marketing activities in specific locations based on market demand. We promote brand awareness by carrying out the following activities:

- (a) Placing advertisements in electronic media and widely circulated newspapers and /or magazines;
- (b) Presentation at schools and seminars; and
- (c) Partnering in talent search examinations, hosting information sessions and distributing printed advertising materials.

Admissions generally occur at the training centre level. When a prospective student responds to our advertisements and contacts a training centre by walk-in or through phone, our counseling desk generates a prospective student profile and guides the candidate through meeting in person or through phone, about various aspects of our courses and educational deliverables. The entire admission process is standardized. For admission to some of our courses which prepares students for IIT-JEE, we conduct a pre-admission test prior to the enrollment.

Competition

The tutoring industry is highly competitive and fragmented, with no single provider controlling significant market share. Our main competitors are other organized tutoring institutes. Amongst the organized private players, we consider Bansal Classes, FIITJEE, Akash Institute, Resonance, Allen and Brilliant Tutorials as our major competitors for tutoring services. Competition is generally based on the location, the type of courses offered, the quality of instruction, success rate, reputation and tuition rates. We believe that we are able to compete effectively in the markets with our presence because of the diversity of our course offerings, quality of instruction, the strength of the brand equity, our reputation and our success rate.


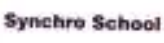


We mainly compete with training institutes tutoring students for engineering and medical entrance examinations. We focus on courses that are high in demand. We compete against our competitors by seeking to offer more frequent start dates, more flexible hours, better instructional resources, more hands on training and providing feedback for mock tests. We compete against others by seeking to offer a higher quality of education, higher quality instructional material and a better overall value. As we continue to add courses, our addressable market increases and thus we face increased competition.

Insurance

Our principal types of insurance coverage include motor fire insurance, vehicle insurance, cash-in-transit insurance and directors' liability insurance. Our operations are subject to hazards inherent to the education business, such as risks of terrorist attacks, riots, fire, earthquake, flood and other *force majeure* events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage.


Our insurance policies may not be sufficient to cover our economic losses. For further details, see section titled “*Risk Factors*” at page 13.

Intellectual Property

Our Company controls the use of, our brands and products by means of intellectual property rights, including, trademarks. Our Company has applied to the Trademark and Patents Registry, Ahmedabad for registration of our trademarks “”, “”, “” and “” for our brands “Knowledge Lab”, “Synchro-School”, “Career Institute of Finance and Accounts” and “National Science Proficiency Test” respectively. For further details in this regard, see sections titled “*Government and Other Approvals*” and “*Risk Factors*” at pages 225 and 13, respectively.

We have entered into a trademark license agreement dated February 4, 2010 with Mr. Pramod Maheshwari,



our Promoter for use of the trademark “”. The license agreement allows us to use the trademark for our services and products on an exclusive, irrevocable and renewable basis for a period of 11 years for an aggregate consideration of Rs.10,000.

Faculty

As of July 31, 2010, our faculty consists of 231 members with relevant teaching and practitioner experience coupled with certain degree standards laid out by us. Exceptions are granted for a limited number of faculty who may not meet the teaching experience or degree standards, but evidence significant degree standard or teaching experience in the subject area they teach.

We attract faculty through referrals by current faculty members, advertisements, and prospective members discovering us. We check references prior to offering positions to new faculty and, upon selection, we require each new faculty member to complete an orientation and training course that leads to their certification and assignment. All our faculty members have relevant experience and teaching skills to guide and tutor aspirants of competitive entrance examinations. We believe that the course curriculum is particularly attractive to aspiring faculty members because of the opportunity to teach relevant material to students. We believe that the quality of our faculty is critical to our success, particularly because faculty members have the largest amount of interaction with our students. Our academic management team administers the content delivery of each faculty member.

Employees

In addition to 231 faculty members, as of July 31, 2010, we have employee strength of 221 non-faculty members administering our academic, technology, service and business operations. Our business operations are driven primarily by our employees.

Our employees do not belong to a union. Our relationship with our employees has been positive and our operations have not been interrupted by any work stoppage, strike, demonstration or other labor disturbances.

Corporate Social Responsibility

We are engaged in planting and maintaining planted trees for certain specified areas in Kota. In this regard, we have entered into an MoU dated May 20, 2010 with Urban Improvement Trust, Kota.

Properties, Offices and Facilities

Our Registered Office is licensed to us by our Promoter, Mr Pramod Maheshwari pursuant to Leave and License Agreement dated January 7, 2010 for a period of 11 months expiring on November 30, 2010. Our Corporate Office is leased to us by Diamond Business Solution Private Limited pursuant to a lease deed dated January 3, 2008 for a period of 11 years and six months commencing from April 01, 2007.

In order to undertake our operations at our Company Operated Training Centres, we normally acquire land on a lease hold basis for a period of 1-3 years. Further, we have also procured land parcels (through our subsidiary) on a permanent basis and on a long term lease basis at such places which has the potential of becoming a school, college or university.

Following is the details of the land acquired by our subsidiary, Career Point Infra Limited on a long term basis:

Sl. No.	Location	Nature of ownership	Area (in square feet)	Seller/Lessor	Validity	Purpose of acquisition
1.	School plot in the layout plan of Vijaya Raje Nagar Scheme, Jodhpur, Rajasthan	Leasehold	90,522.65	Urban Improvement Trust	99 years commencing from February 27, 2008	For setting up of school

Further, Gopi Bai Foundation Trust Kota (Raj.), our Group Company and entity, has also acquired land on permanent as well as on a long term basis. Following is the details of the same:

Sl. No.	Location	Nature of ownership	Area (in square feet)	Seller/Lessor	Validity	Purpose of acquisition
1.	Indra Vihar Housing Colony, Kota	Leasehold	67,156.03	Rajasthan State Industrial Development and Investment Corporation Limited	For a period of 99 years commencing from October, 1998	To run Global Public School
2.	Village Alniya, Tehsil Ladpura, Kota, Rajasthan	Owned	1,424,065.34	Land owners*	--	To set up Career Point University

* The land has been acquired vide six separate sale deeds entered with land owners namely Mr. Narendra Kumar Singh, Ms. Sonia Jain, Ms. Seema Jain, Ms. Shashi Jain, Mr. Devkaran, Rajaram, Mr. Harisingh, Dayaram, Mr. Ramesh, Ms. Geeta Bai, Mr. Manbhar Bai and Om Metals Infraprojects Limited

REGULATIONS AND POLICIES

Our Company is engaged in the business of providing tutorial services for various competitive entrance examinations including All India Engineering Entrance Examination, Indian Institute of Technology –Joint Entrance Examination, All India Pre-Medical Test and Education Consultancy and Management Services (‘ECAMS’) to K-12 & Higher Education segment. Since we provide ECAMS and tutorial services, we are governed primarily by the laws laid down for educational sector along with the laws governing commercial establishments which provide for tutorial services. The following description is a summary of laws and regulations in India, which are applicable to our Company. The information below has been obtained from publications in the public domain. It may not be exhaustive and is only intended to provide general information and is neither designed nor intended to substitute for professional legal advice.

Taxation statutes such as the Income Tax Act, 1961, Central Sales Tax Act, 1956, the Finance Act, 1994 the Shops and Establishments Act, 1958, and applicable local sales tax statutes, labour regulations such as the Employees’ State Insurance Act, 1948 and the Employees’ Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999 apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the section titled “*Government and Other Approvals*” at page 225.

CENTRAL LAWS

Finance Act, 1994 (“Finance Act”)

The Finance Act is a centralized regulation which levies service tax on provision of services by various entities. The provision of coaching services provided by coaching classes is also covered under the Finance Act and a service tax of 10% plus applicable education cess is levied on these coaching classes. Since, our Company provides coaching class services to various students, it has to levy a service charge on these services and deposit it post collection with the relevant regulatory authority established under the act.

Universities Grants Commission, Act, 1956 (the “UGC Act”)

The University Grants Commission (“UGC”) was set up to lay down provisions for the co-ordination and determination of standards in Universities. According to the UGC, a University is normally established pursuant to a Central or a State Act. The UGC Act also makes provision for a deemed university and once an institution of higher education is designated as such, all the provisions of the UGC Act apply to it. The main function of the UGC is to recommend to any university the measure necessary for the improvement of university education and advice the university upon the action to be taken for the purposes of implementing such recommendations. It also makes provisions for disbursement of funds to universities recognized under the UGC Act.

UGC (Establishment of and Maintenance of Standards in Private Universities), Regulations, 2003 (the “UGC Private Universities Regulations”)

The UGC Private Universities Regulations were brought into force to create an effective regulatory mechanism for the maintenance of standards of teaching, research, examination and extension services in these private universities. All universities which have been established under a State Act need to follow the regulations which prescribe the minimum qualifications that should be possessed by any person to be appointed as a teaching staff of the university, regulations defining the minimum standards on instruction for the grant of a degree by a university.

As per the UGC Private Universities Regulation, every university so established shall be governed by a separate State Act. A private university so established has to operate within the bounds of the State concerned and the overall performance of the campus centre and the study centre shall be monitored by the UGC and the State Government.

A private university has to fulfill the minimum criteria in terms of programmes, faculty, infrastructural facilities, financial viability laid down by the UGC and other concerned statutory authorities such as the All India Council for Technical Education, the Bar Council of India, the Distance Education Council, the Dental Council of India, the Medical Council of India etc. The university is also required to inform the UGC about its first degree and post graduate degree/diploma programmes including the curriculum structure, contents, teaching and learning process, examination and evaluation system and the eligibility criteria for admission of students, to the UGC on a proforma prescribed by the UGC prior to starting of these programmes.

The UGC may also cause periodic inspection of private university and its off-campus centres, study centres, off-shore campuses offering its programmes. After the award of the first degree and/or post-graduate degree/diploma courses, the UGC may indicate to the university any deficiency and non-conformity with the relevant UGC Regulations and provide it a reasonable opportunity to rectify the same. If the university despite being provided such an opportunity does not rectify the same, then the private university shall be prevented from offering any courses for the award of the first degree/post graduate degree and/ or diploma until such time that the deficiency is rectified.

The Foreign Educational Institutions (Regulation of Entry and Operations) Bill, 2010

The Central Government has introduced the Foreign Educational Institutions (Regulation of Entry and Operations) Bill, 2010 (“**Bill**”) for regulation and entry of foreign educational institutions in India. In terms of the Bill, any foreign university intending to impart foreign education in India, shall submit an application, for being recognised as such to the Registrar.

In terms of the Bill, those foreign educational institutions will be accredited which have been offering educational services for atleast twenty years in the country of incorporation/establishment. Further, such foreign educational institutions should offer educational services in India through conventional methods of teaching, and not through the distant learning mode in India.

Besides, the Bill grants recognition to not only standalone foreign educational institutions but also to those foreign educational institutions, which maybe established in collaboration or partnership with any Indian educational institution.

The foreign educational institutions have to comply with the following regulations under the Bill:

- Foreign educational institutions should apply for grant of recognition to the concerned Registrar;
- The foreign educational institutions should respond to all the inquiries made by the Registrar;
- They should be notified by the Central Government as foreign educational institutions;
- The foreign educational institutions should ensure that they maintain a corpus of not less than fifty crores rupees or such sum as maybe notified from time to time by the Central Government.

The foreign educational institution has to also comply with the norms laid down by the University Grants Commission and has to submit a report of its activities from time to time to the University Grants Commission. If the foreign educational institution is in violation of the norms laid down by the University Grants Commission or any other laws for the time being in force in India, then, the University Grants Commission after giving a reasonable opportunity of being heard to the foreign educational institution, may, recommend to the Central Government for withdrawal or recognition and rescission of such foreign educational institution.

STATE LAWS

The laws relating to the establishment of private universities in Rajasthan and Himachal Pradesh are summarized below:

Rajasthan

The Rajasthan Shops and Establishments Act, 1958 (“Shops and Establishment Act”)

The Shops and Establishment Act was introduced to ensure that commercial establishments are registered under this act. The definition of commercial establishment under this Act is exceedingly wide and includes an establishment which carries on any business, trade or profession or any work in connection with or ancillary to any business, trade or profession. Since, our Company prepares students for engineering and medical entrance examinations and is organized as a coaching class, it is imperative for it to be registered as a commercial establishment under this act and comply with all its provisions.

The Rajasthan Private Universities Act, 2005 (the “RPU”)

The RPU was established to set-up and institute private universities in the state of Rajasthan through the set-up of a sponsoring body. A sponsoring body as per the RPU means either a trust, a society registered under the Rajasthan Societies Registration Act, 1958 or a section 25 company under the Companies Act. It grants recognition to those universities which provide instructions for teaching and training in higher education and makes provision for research, advancement, dissemination of knowledge, creation of state of the art facilities for education and training and for establishment of campuses in Rajasthan and to have study centres at different places within its jurisdiction.

Through its circular F.3 (14) Edu – 4/2006 dated July 26, 2007, the Education Department of the Government of Rajasthan has laid down certain criteria that need to be met for the establishment of a private university. If a sponsoring body wishes to make an application for the establishment of a private university, then, it has to submit a project report detailing its financial resources alongwith audited accounts of the past five years, the objectives of the university, the availability of land for establishment of the university and the details for development of campus and infrastructural facilities.

Once the application is approved, the State Government will give directions to establish a private university through a letter of intent, asking the sponsoring body to create an endowment fund with an amount specified as per the location of the university. If the private university is within 15 kilometres of from the municipal limits of the divisional headquarters cities or within ten kilometres of from the municipal limits of other cities, then the fund shall be Rupees 10 million. Further, in case the university is in a scheduled tribal area then the fund amount will be Rupees 7.5 million and in all other cases, it will be Rupees 20 million.

Furthermore, the university has to comply with numerous other requirements such as:

- own atleast 30 acres of contiguous land;
- construct a minimum of 10,000 square metres of covered space for administrative purposes and for conducting academic programmes;
- purchase books and journals of atleast Rupees 1 million as per the norms of various regulating bodies;
- purchase equipments, computers, furniture, other mobile and immobile assets and infrastructure facilities worth Rupees 2 million;
- give an undertaking to appoint atleast 1 professor, 2 readers and adequate number of lecturers alongwith necessary supporting staff in each department or discipline to be started by the university;
- give undertaking to take up co-curricular activities like seminars, debates, quiz programmes and extracurricular activities ;
- give undertaking for establishment of provident fund and to take up welfare programmes for employees of the university;
- fulfil such other conditions and provide such other information as maybe prescribed by the University Grants Commission, All India Council of Technical Education or any other statutory body established by the law of the Union or State Government; and

- the sponsoring body shall within a maximum period of one year submit to the State Government an unambiguous affidavit alongwith documents that all conditions referred to in the letter of intent have been met.

Himachal Pradesh

The Himachal Pradesh Private Universities (Establishment and Regulation) Act, 2006 (the “HPPU”)

The HPPU was established to set-up and institute private universities in Himachal Pradesh through the set-up of a sponsoring body. A sponsoring body as per the HPPU means either a trust, a society registered under the Societies Registration Act, 1860 or a section 25 Company under the Companies Act. It grants recognition to those universities which provide instructions for teaching and training in higher education and make provision for research, advancement, dissemination of knowledge, creation of state of the art facilities for education and training and for establishment of campuses in Rajasthan and to have study centres at different places within its jurisdiction.

Through its circular EDN-A-Ka(3)-1/2008 dated December 4, 2008, the Education Department of the Government of Himachal Pradesh has laid down certain criteria that need to be met for the establishment of a private university. If a sponsoring body wishes to make an application for the establishment of a private university, then, it has to submit a project report, alongwith copies of its registration certificate, constitution and bye-laws, the latest audited accounts, the objectives of the university, the availability of land for establishment of the university and the details for development of campus and infrastructural facilities.

Once the application is approved, the State Government will give directions to establish a private university through a letter of intent, asking the sponsoring body to create an endowment fund with an amount specified as per the location of the university. The sponsoring body shall establish an endowment fund for the university with an amount of Rupees 30 million which shall be pledged with the Government. Further, if the university is located within a tribal area then the amount of the endowment fund will be Rupees 10 million. This endowment fund has to be kept as a security deposit to ensure strict compliance of the provisions of these guidelines and any provisions enacted by the act for the University.

Furthermore, the university has to comply with, *interalia*, other requirements such as:

- own/acquire atleast 50 bighas/100 canals land on ownership basis or on lease from the Government/ Government Institution/Local Bodies for a lease period of atleast 30 years;
- construct a minimum of 10,000 square metres of covered space for administrative purposes and for conducting academic programmes;
- purchase books and journals of atleast Rupees 1 million as per the norms of various regulating bodies;
- purchase equipments, computers, furniture, other mobile and immobile assets and infrastructure facilities worth Rupees 10 million and give an undertaking to the Government to procure within first five years equipments, computers, furniture, other movable and immovable assets, infrastructural facilities worth atleast Rupees 30million;
- give an undertaking to appoint atleast one professor, two readers and adequate number of lecturers alongwith necessary supporting staff in each department or discipline to be started by the university;
- give undertaking to take up co-curricular activities like seminars, debates, quiz programmes and extracurricular activities;
- give undertaking for establishment of provident fund and to take up welfare programmes for employees of the university;
- give an undertaking to give preference to bonafide residents of Himachal Pradesh in the employment of the university;
- give an undertaking not to dissolve the university before 15 years of its establishment;

- fulfil such other conditions and provide such other information as maybe prescribed by the University Grants Commission, All India Council of Technical Education or any other statutory body established by the law of the Union or State Government; and
- the sponsoring body shall fulfil the requirements and conditions specified in the Letter of Intent and report compliance with the Government.

BYE-LAWS FOR GETTING SCHOOLS AFFILIATED WITH THE CENTRAL BOARD OF SECONDARY EDUCATION AND COUNCIL FOR THE INDIAN SCHOOL CERTIFICATE EXAMINATIONS

The Council for the Indian School Certificate Examinations and the Council for the Central Board of Secondary Education has laid down guidelines that need to be complied with by schools for affiliation purposes. A synopsis of these guidelines laid down by both the boards is as follows:

Central Board of Secondary Education Affiliation

The Central Board of Secondary Education (“**CBSE Board**”) requirements for affiliation are prescribed under the Central Board of Secondary Education Affiliation Bye-laws (“**CBSE Bye-laws**”). Applications for affiliation under the bye-laws can be considered if approval is required for any of the following categories of cases:

- approval of middle class syllabus;
- provisional affiliation of a secondary school;
- upgradation/provisional affiliation of a senior secondary school;
- regular affiliation for schools run by the Government, Government aided Kendriya Vidyalaya Sangathan, Navodaya Vidyalaya Samiti, Central Tibetan Schools Organization (CTSO); and
- permanent affiliation.

The CBSE bye-laws mandate that the following conditions need to be complied with if affiliation is required for schools with the CBSE Board:

- school must have prior affiliation or formal recognition from the State or Union Territory Government;
- a no objection certificate should be obtained from the State Government for affiliation of the school with the CBSE Board;
- school must have atleast 2 acres of land (out of which atleast one acre should be through ownership or through a lease in favour of the school for thirty years) and a building constructed on a part of land and proper playgrounds on the remaining land;
- in metropolitan cities with a population exceeding Rupees 2.5 million, the land should not be less than one acre with adequate building and arrangement for imparting physical and health education facilities for conducting games to the satisfaction of the CBSE Board;
- the trust or the society or the section 25 company registered the Companies Act should be on a non-proprietary character and should run the school on a not for profit basis;
- the school needs to submit a list of all members with their addresses, occupations and qualifications along with an affidavit duly attested by a first class Magistrate from the chairman or the secretary of the school stating that none of the members are related to each other and if they are, then the manner in which they are related;
- the school should have adequate teaching staff possessing the necessary qualifications laid down for various subjects and posts for the teachers by the Board;
- the pupil to teacher ratio should not exceed 30 and there must be atleast 1.5 teachers per section to teach various subjects to the students;
- it is also mandated that the salary scale and the admissible allowances of the staff should not be less than the corresponding categories of employees in the State Government schools or as per the pay scales prescribed by the Government of India;

- the library of the school shall be well equipped and spacious with atleast five books per students in its stock subject to a minimum of 1500 books to begin with. Further, the school should also subscribe to a sufficient number of books and magazines with atleast 15 magazines suitable for student and professional needs of teachers;
- the school shall maintain a reserve fund in the following manner possible:
 - (i) Upto 500 students – Rs. 60,000
 - (ii) From 501 to 750 students – Rs. 80,000
 - (iii) From 751 to 1000 students – Rs. 100,000
 - (iv) Above 1000 students – Rs. 100 per student rounded to the nearest thousand.
 - (v) All admissions and withdrawal registers are to be properly maintained;
- the service records of teaching and non-teaching staffs are to be duly maintained and updated;
- no teachers are to be appointed on an ad-hoc basis;
- teaching and non-teaching staff is to be appointed on prescribed pay scales and no staff is to be appointed on a consolidated pay. They are also to be paid dearness allowance and other admissible allowances as per Central or State Government rates as required; and
- schools managed directly by Public Sector Undertaking (“PSU”) or by reputed societies under financial control of these PSUs may apply for permanent affiliation and all other schools get a provisional affiliation. If a school wishes to get permanently affiliated with the CBSE Board, then, after the expiry of the provisional affiliated period of three years, it may ask the Board to grant it permanent affiliation on the basis of the fulfillment of certain condition which maybe laid down by the CBSE Board.

Council for the Indian School Certificate Examinations

The Council for the Indian School Certificate Examinations (“ISC Council”) requirements for affiliation are prescribed under the ISC Guidelines for Affiliation (“ISC Guidelines”). Applications for affiliation under the ISC Guidelines can be considered and will be granted if the following conditions are met:

- the school has to obtain a no objection certificate from the state in which the school is to be set-up;
- if the school is started as an affiliating entity from class VI, then, the school must leave sufficient time for the purpose of preparing candidates and presenting them, in the first instance for the Indian School Certificate of Secondary Education;
- the school has to be run either as a registered society under the Societies Registration Act, 1860 or a trust or a section 25 company under the Companies Act and it must not be run for profit;
- the school must have a properly constituted governing body or managing committee which is responsible to and under the control of the society or trust or company;
- the medium of instruction in the school has to be English and special emphasis has to be placed on oral English, as a really high standard is required to be maintained;
- the school should have two acres of land with suitable buildings constructed on the land alongwith proper playgrounds with adequate facilities;
- in metropolitan cities with a population exceeding 2.5 million, the land should not be less than one acre with adequate building and arrangement for imparting physical and health education facilities for conducting games to the satisfaction of the ISC Council;
- the school should have a well equipped library for the use of its staff and pupils. It should have atleast five books per student in its stock subject with a minimum of 2500 books to begin with. It shall not stock notes, examination guides of any kind;
- the teaching staff must be properly qualified and trained. The minimum qualifications for the teaching staff have been laid down under Chapter II of the ISC Guidelines;
- the schools affiliated to the ISC Council shall place their buildings and furniture at the disposal of the ISC Council for the conduct of examinations for which candidates from the school have been entered and for such other candidates assigned to the centre of the school by the ISC Council which can be reasonably accommodated;
- schools will initially be granted provisional affiliation and after the end of a period of three years, they can apply to the ISC Council for permanent affiliation which will be decided by the ISC Council on the basis of the performance of the school; and

- the ISC Council may have the power to withdraw the affiliation of a school or temporarily suspend affiliation, if the ISC Council is satisfied that the school concerned is not fit to continue as an affiliated school.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as public limited company on March 31, 2000, under the Companies Act.

The Promoter of our Company, Mr. Pramod Maheshwari has been in the business of tutoring for competitive entrance examinations since 1993 and the business was being administered under proprietorship firms of Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari, our Promoters.

However, during Financial Year 2002, our Promoters started undertaking tutoring services via Franchisee Centres through our Company. Subsequently, from April 1, 2006 we also started providing tutoring services through Company Operated Training Centres.

Our Main Objects

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

1. To undertake development and/or trade in sale, import, export of computer software and all varieties of information technology services like medical transcription, GIS/GPS mapping, data entries, data conversion, internet services, intranet services, networking like WAN, LAN and its related protocols, e-commerce, forex operations relation to software, hardware consultancy, hiring, installation sale, export, import, maintenance of computer hardware, platform changing peripherals, and related services either on direct contract or sub-contract basis and running and maintaining institute/school providing general education and coaching in science, math, medical, commerce, arts, engineering and computer education, training, information technologies and training covering, inter-alia to carry on the business of research and development, designing, manufacturing and trading in all types of computer software and hardware in all areas including management information systems, database services, data warehousing, industrial applications, office systems, automation systems, artificial intelligence, cybernetics, simulations, desktop publishing communications including telecommunications and satellite communication, CAD/CAM, animations, operation systems, utilities and all other developments in the field of computers and information technology along with rendering consultancy services and services in the field of software development, turnkey projects and solutions, software export, information and data processing, computer systems, communications, operations research and technical services including commercial exploitations, export import and to act as distributors, dealers, authorized representatives, installers and commissioning agents of the same and publish/trade books, periodicals, newsletters and study materials on papers, CD, internet or other I.T. media.
2. To impart training, conduct seminars, workshops, capsules, courses, in computers, computer maintenance, software development, software exports, and to depute personnel to develop and design and implement software in India and abroad and to start ISDLAN (Integrated Services Digits Local Area Network), dial for date centres technology parks in India and abroad and to buy, sell, deal in import, export carry on research and development work, to design implement systems software, application software and any other software in India and abroad and to provide IT consulting service advises in India and abroad about info technology use in manufacturing, technical managerial and marketing services in computer education software's electronics and other allied fields and to offer either parallel or in turnkey basis networking and systems internet services in India and abroad and to depute personnel in India and abroad to offer such services, to render new services or enter into primary agreement in any trial portion for rendering such services to the clients and to undertake, design and development, research of software systems, products and solutions in all areas of application including those in emerging niche segments like internet, intranet, websites, applications solution software, enterprises resource planning, e-commerce, value added products and other business applications either for its own use or for sale in India or for export outside India and to design, develop such systems and application software for or on behalf of manufactures, owners and users of computer

systems, telecom, digital, electronic equipment in India or else where in world and to set up and run software/hardware training centres, software consultancy, system studies, management consultancy techno-economic feasibility studies of projects, design and development of management information systems in India and outside India and focus on identification, selection, training of software manpower for onsite placement in India and outside India for its own use and/or clients use and recruitment and job placement services in India or outside India and to invest in/manage/assist, domestic and overseas software companies for the fulfillment of above objectives and to design and develop import, export, sale, deal and purchase of computer software and hardware for all applications and also maintain, repair and otherwise deal in all kinds of microprocessor modules, systems and mini and macro computer based systems and electronic instrumentation system, data processing equipment, software, all types of computers, required in industrial control applications, electronic circuits, entertainment equipment, space research and electronic industries of every kind and to establish data processing centre, training centres and provide services as programmers, system analysts, and to provide consultancy services in the field of information technology and software and acts venture capital company or venture capital fund.

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

Amendments to the Memorandum of Association

Since its incorporation the following changes have been made to the Memorandum of Association:

Amendment	Nature of alteration
September 30, 2002	Increase in Authorized Capital of our Company from Rs. 100,000 to Rs. 500,000
March 06, 2003	Increase in Authorized Capital of our Company from Rs. 500,000 to Rs. 10,000,000
December 31, 2004	Increase in Authorized Capital of our Company from Rs. 10,000,000 to Rs. 11,500,000
August 10, 2006	Increase in Authorized Capital of our Company from Rs. 11,500,000 to Rs. 46,500,000
December 26, 2006	Increase in Authorized Capital of our Company from Rs. 46,500,000 to Rs. 131,500,000
November 12, 2007	Increase in Authorized Capital of our Company from Rs. 131,500,000 to Rs. 250,000,000

Total number of Shareholders of our Company

As of the date of filing of this Red Herring Prospectus, the total number of holders of Equity Shares is 14. For more details on the shareholding of the members, please see the section titled “*Capital Structure*” at page 64.

Change in Registered Office of our Company

Pursuant to a resolution dated December 1, 2007 there has been a change in the registered office of our Company. The table below represents the change:

Address	Date of Change
112, Shakti Nagar, Kota – 324 009, Rajasthan, India	Since incorporation
112B, Shakti Nagar, Kota – 324 009, Rajasthan, India	December 1, 2007

Major Events and Milestones

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

S. No.	Calendar Year	Details
1.	2000	Formation of our Company as a public limited company viz., Career Point Infosystems Limited
2.	2002	Launched franchisee learning centres as a part of our expansion plans
3.	2006	Ventured into providing tutoring services through Company Operated Training

		Centres
4.	2007	Launched synchro-school programme
5.	2007	Investment by M/s Volrado Venture Partners
6.	2008	Launched Career Point Knowledge Lab in Kota
7.	2008	Test launch of “TechEdge” class
8.	2008	Executed management cooperation agreement with Singhania University for establishing university off campus
9.	2009	Investment of Rs. 500 million in our Company by FTPES, portfolio managed by Franklin Templeton Asset Management (India) Private Limited
10.	2009	Executed management services agreement with the Gopi Bai Foundation Trust Kota (Raj.) for providing management services to Global Public School
11.	2010	Executed MOU with Hughes Communications India Limited
12.	2010	Investment of Rs. 100 million in our Company by Mr. Nadathur Srinivasa Raghvan, Partner for and on behalf of Kalpa Partners
13.	2010	Executed MOU with Gopi Bai Foundation Trust Kota (Raj.) for providing Education Consultancy and Management Services for the proposed University at Alania, Kota, Rajasthan

Details of Major Events of our Company

For details of our Company’s business, products, marketing, the description of its activities, products, market segment, the growth of our Company, standing of our Company with reference to the prominent competitors with reference to its services and geographical segment, please see section titled “*Our Business*” at page 115.

For details of the management of our Company and its managerial competence, please see section titled “*Our Management*” at page 144.

There are no time/cost overrun in setting up projects including the proposed projects and no defaults, lock up or strikes in our projects.

Injunctions or restraining order against our Company

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

Subsidiaries of our Company

The following are our Subsidiaries:

1. Career Point Edutech Limited; and
2. Career Point Infra Limited.

1. Career Point Edutech Limited

Career Point Edutech Limited was incorporated under the Companies Act on November 9, 2006. Its registered office is situated at 112B, Shakti Nagar, Kota 324 009, Rajasthan, India and its corporate identification number is U80302RJ2006PLC023306. The objects of this company includes developing technology based educational solution and software. Career Point Edutech Limited has been instrumental in launching two software products i.e. a2zexam.com and examtayari.com.

The authorized share capital of Career Point Edutech Limited is Rs. 50 million comprising 5,000,000 equity shares of face value Rs. 10 each and paid up share capital is Rs. 5.7 million comprising of 578,947 equity shares of Rs.10 each.

Board of directors

The board of directors of Career Point Edutech Limited as on July 31, 2010 comprises of:

1. Mr. Om Prakash Maheshwari,
2. Mr. Pramod Maheshwari and
3. Mr. Nawal Kishore Maheshwari.

Shareholding pattern

The shareholding pattern of Career Point Edutech Limited as on July 31, 2010 is as follows:

Sr. No	Name of the Shareholder	No. of shares	% of total equity holding
1	Career Point Infosystems Limited	549,994	95.00
2	Mr. Gunjan Agrawal	28,947	5.00
3	Mr. Om Prakash Maheshwari	1*	Negligible
4	Mr. Pramod Maheshwari	1*	Negligible
5	Mr. Nawal Kishore Maheshwari	1*	Negligible
6	Ms. Neelima Maheshwari	1*	Negligible
7	Ms. Shilpa Maheshwari	1*	Negligible
8	Ms. Rekha Maheshwari	1*	Negligible
	Total	578,947	100.00

* These equity shares are held under the beneficial ownership of Career Point Infosystems Limited

Financial performance

The audited financial results of Career Point Edutech Limited for the last three financial years 2008, 2009 and 2010 are as follows:

<i>(Rs. in million, except per share data)</i>			
Particulars	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Equity share capital	5.79	5.50	5.50
Reserves	0.00	0.00	0.00
Networth (after deducting miscellaneous expenditure)	4.21	4.77	4.88
Sales (inclusive of other income)	0.05	0.10	0.00
Profit/(loss) after tax	(0.81)	(0.15)	(0.10)
Earnings per share	-	-	-
Net Asset Value	7.26	8.67	8.88

2. Career Point Infra Limited

Career Point Infra Limited was incorporated under the Companies Act on December 6, 2007. Its registered office is situated at 112B, Shakti Nagar, Kota 324009, Rajasthan, India and its Corporate Identification Number is U45201RJ2007PLC025439. The objects of this company are to acquire land and developing such land for maintaining of schools and educational institutions.

The authorized share capital of Career Point Infra Limited is Rs. 201 million comprising 20,100,000 equity shares of face value Rs. 10 each and paid up share capital is Rs. 31 million comprising of 3,100,000 equity shares of Rs.10 each.

Board of directors

The board of directors of Career Point Infra Limited as on July 31, 2010 comprises of:

1. Mr. Om Prakash Maheshwari,
2. Mr. Pramod Maheshwari and
3. Mr. Nawal Kishore Maheshwari.

Shareholding pattern

The shareholding pattern of Career Point Infra Limited as on July 31, 2010 is as follows:

Sr. No	Name of the Shareholder	No. of shares	% of total equity holding
1	Career Point Infosystems Limited	3,099,994	99.99
2	Mr. Om Prakash Maheshwari	1*	Negligible
3	Mr. Pramod Maheshwari	1*	Negligible
4	Mr. Nawal Kishore Maheshwari	1*	Negligible
5	Ms. Neelima Maheshwari	1*	Negligible
6	Ms. Shilpa Maheshwari	1*	Negligible
7	Ms. Rekha Maheshwari	1*	Negligible
	Total	3,100,000	100.00

* These equity shares are held under the beneficial ownership of Career Point Infosystems Limited

Financial performance

The audited financial results of Career Point Infra Limited for the last three financial years 2008, 2009 and 2010 are as follows:

(Rs. in million, except per share data)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009	For the period commencing from December 6, 2007 to March 31, 2008
Equity share capital	31.00	31.00	31.00
Reserves	0.00	0.00	0.00
Networth (after deducting miscellaneous expenditure)	29.40	29.55	29.21
Sales (inclusive of other income)	0.00	0.33	0.22
Profit/(loss) after tax	(0.42)	(0.38)	(0.27)
Earnings per share	-	-	-
Net Asset Value	9.48	9.53	9.42

Associate company

The following are the details of our Associate company, Imperial Infin Private Limited:

1. Imperial Infin Private Limited

Imperial Infin Private Limited was incorporated under the Companies Act on October 5, 1994. Its registered office is situated at 112B, Shakti Nagar, Kota – 324009, Rajasthan, India. The objects of this company are to make investment in various commercial and residential plots.

The authorized share capital of this company is Rs. 8.00 million comprising 80,000 equity shares of face value Rs. 100 each and paid up share capital is Rs. 7.96 million comprising of 79,551 equity shares of Rs.100 each.

Board of Directors

The board of directors of Imperial Infin Private Limited as on July 31, 2010 comprises of:

1. Mr. Durga Shankar Maheshwari and
2. Ms. Neelima Maheshwari.

Shareholding pattern

The shareholding pattern of Imperial Infin Private Limited as on July 31, 2010 is as follows:

Sr. No	Name of the Shareholder	No. of shares	% of total equity holding
1	Career Point Infosystems Limited	34,000	42.74
2	Global Capital Markets Limited	20,000	25.14
3	Emerald Commercial Limited	14,000	17.60
4	Alka Securities Limited	5,000	6.29
5	Ms. Neelima Maheshwari	4,646	5.84
6	Mr. Durga Shankar Maheshwari	1,125	1.41
7	Mr. Om Prakash Maheshwari	380	0.48
8	Mr. Pramod Maheshwari	200	0.25
9	Mr. Nawal Kishore Maheshwari	200	0.25
	Total	79,551	100.00

Financial performance

The audited financial results of Imperial Infin Private Limited for the last three financial years 2008, 2009 and 2010 are as follows:

(Rs. in million, except per share data)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Equity share capital	7.96	7.96	7.96
Reserves	-	0.07	0.00
Networth (after deducting miscellaneous expenditure)	7.94	8.03	7.78
Sales (inclusive of other income)	0.05	1.34	0.07
Profit/(loss) after tax	(0.09)	0.22	(0.03)
Earnings per share	-	-	-
Net Asset Value	99.82	100.88	97.79

Accumulated profits or losses not accounted for

There are no profits or losses of subsidiaries or associate companies not accounted for by our Company.

Shareholders' Agreement

Subscription cum Shareholders Agreement (the "SSA") dated July 16, 2009 entered between our Company, Franklin Templeton Asset Management (India) Private Limited in its capacity as a portfolio manager of FTPES ("FTAMPL"), Swastika Polyolefins Private Limited, Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari, Mr. Nawal Kishore Maheshwari, Mr. Gulab Chand Maheshwari, Ms. Kailash Bai Maheshwari, Ms. Neelima Maheshwari, Ms. Shilpa Maheshwari and Ms. Rekha Maheshwari ("Sponsors").

Some of the main provisions of the SSA are summarized as under:

Composition of the board of directors: As per the terms of the SSA, the board shall comprise of seven directors which shall include a director appointed by FTAMPL ("**Investor Director**"). Under the SSA, the Investor Director shall not be liable to retire by rotation. Further, the Investor Director shall be entitled to nominate an observer on our Board ("**Observer**") who shall be able to participate on a non-voting basis at the meetings of our Board.

FTAMPL shall have the right to appoint an alternate director (“**Alternate Director**”) in place of the Investor Director from time to time. Further, FTAMPL shall have the right to appoint the Investor Director, the Alternate Director and/or the Observer as representatives on any existing Committee of the Board which has been formed by the Board or by our Company.

Reserved Matters: As per the SSA, the following matters shall be considered as reserved and these matters cannot be passed without the consent of the Investor Director at the Board meeting or through an affirmative vote of FTAMPL at the AGM or EGM.

Some of the important reserved matters *inter alia* are as follows:

- any significant changes in the liability structure of our Company or its subsidiary including off-balance sheet items, such as leasing, any encumbrances, transfer, pledge or creation of lien;
- incurrence of any indebtedness or capital commitment which is over and above the annual budget in any financial year;
- any appointment, engagement or increase in compensation of any person to a level of Rs. 5,000,000 in a year. Any appointment, removal, dismissal and changes in compensation terms of the Directors or members of the executive management;
- any change in the face value or rights attached to any shares, except to the extent required for an initial public offering;
- appointment or change of internal/statutory auditors;
- approval of annual accounts of the Company and/or its subsidiaries;
- any change in the accounting year, accounting policy or registered office of the Company;
- any change in the name of our Company;
- distribution of profits/commission to the Directors or employees or to any third person;
- business restructuring, reorganization, diversification, acquisitions, mergers, sale, transfer or amalgamation of the Company and its assets, issuance of sale of equity of the Company and /or its subsidiaries or sale of assets or anything which is in variance with the business plan and annual budget approved by the Board;
- any change in the capital structure of the Company such as issuance of new equity shares and equity linked securities, convertible preference shares, other securities, splits, buy-backs, warrants, options, bonus issues, convertible debt instruments, debt and other securities except in the case of an initial public offering (“**IPO**”);
- any new business initiative that the Company wishes to undertake which is not in the education sector;
- merger or amalgamation of the Company with any other company or reorganization of the Company, creation of joint ventures and/or creation of subsidiaries; and
- any amendment or change of the rights, preference, privileges or powers of, or the restrictions provided for the benefit of FTAMPL and /or any amendment or waiver of any provisions specified in this SSA, except in the case of an IPO.

Quorum of the Board: As per the terms of the SSA, when the reserved matters come up for consideration before the Board, the Investor Director shall have the right to consent or dissent on such matters. In an adjourned Board Meeting, Investor Director shall send across a written notice indicating the consent or dissent in writing. If the Investor Director dissents on a particular matter, then the Company cannot proceed with respect to such matter. Further, a failure of the Investor Director to issue such a written notice can be construed to mean that the Board can deal with the resolutions relating to reserved matters as it deems fit.

Transfer of Shares: FTAMPL has the right under the SSA to transfer its shareholding in the Company to a Client (as defined in the SSA), without any restrictions of any nature whatsoever, provided the Client agrees to comply with a transfer deed as provided in the SSA. In case, FTAMPL wishes to transfer greater

than 50% or more of its shareholding, then, FTAMPL shall have the right to assign all its rights and obligations under the SSA to any third party, and, such third party shall have to execute a deed of adherence.

Tag Along Rights: In case the Sponsors wish to individually or collectively transfer, cumulatively from the date of investment by FTAMPL, more than 10% of their shareholding in the Company, then they shall have to obtain a prior written consent of FTAMPL. If FTAMPL gives such consent, and the Sponsors transfer more than 10% of their shareholding, FTAMPL shall have tag along rights.

Call Option Notice: In the event FTAMPL proposes to make any investment in a Competitor and chooses not to forego the provisions under Reserved Matters, FTAMPL shall, prior to making such investment, be required to intimate the Sponsors and the Company in writing. Within 30 days of receipt of such notice, the Sponsors and / or the Company shall be entitled to purchase FTAMPL's shares at an IRR of 17.5% and this shall be done within a period of 6 months from the date of receipt of this notice subject to applicable laws.

Adjustment in case of an IPO: The Sponsors agree to grant FTAMPL an investor adjustment right in the period between the filing of the DRHP and filing of the RHP. Within a period of 15 days prior to the filing of the RHP, in any initial public offering, the Sponsors shall be required to specify a price band known as the sponsors' price band at which the Company is expected to undertake the IPO.

If at the lower end of the sponsors' price band the investor minimum exit amount (equivalent to an amount that would provide FTAMPL an internal rate of return of 16% on the investment) is not capable of being achieved, then, FTAMPL shall call upon the Sponsors to make good its shortfall, through transfer of such number of additional equity shares to FTAMPL as required or through any other mechanism.

In any case, if the Sponsors inform FTAMPL that applicable laws does not permit such investor adjustment or the Merchant Banker(s) advises the Company after filing of the draft red herring prospectus, that the Investor Adjustment Right is not likely to be accepted or approved by SEBI, then, the Sponsors shall be released from all the obligations under this clause so as to be able to go forward with the IPO.

Buy-Back: In case the Company is unable to secure an exit for FTAMPL by the exit date given in the SSA, then, FTAMPL shall have the right to require the Company to buy-back its shares at a consideration which yields an IRR of 15.5% on FTAMPL's invested amount from the date of the investment.

FTAMPL has the right to exercise this buy-back option during the period of six months following the exit date as defined in the SSA. Any time within this buy-back period, FTAMPL can send a buy-back notice to the Company or the Sponsors to buy-back its shares and they shall have to complete the buy-back within a period of 9 months from the date of the buy-back notice.

If FTAMPL does not exercise the buy-back option then, its right in that regard shall expire. FTAMPL shall have the right to nominate the Investor Director, until it continues to hold at least 25% of its total shareholding in the Company.

Drag Along Rights: At any time after the expiry of nine months from the issuance of the buy-back notice to the Sponsors and/or the Company, if the Sponsors and/or the Company are unable to fulfill their obligations then, FTAMPL can sell its shares without any restrictions. If FTAMPL sells its shares to a third party and such third party desires to acquire additional shares, then, FTAMPL shall be entitled to invoke its drag along rights. By virtue of these rights, FTAMPL can call upon the Sponsors to sell their shares required by the third party at the same price and terms as are applicable to FTAMPL for its shares.

In case FTAMPL does not utilize these rights within a period of 1 year from the trigger date given in the SSA or it does not exercise any of these rights within the specified time frames, then these rights shall lapse. In such a situation, FTAMPL shall only have the right to nominate the Investor Director so long as FTAMPL holds at least 25% of the total shareholding of the Company.

Liquidation Preference: In the event of a liquidation, dissolution and winding up of the Company, FTAMPL shall be entitled to receive an amount equal to 1.00 times the investment amount plus all declared but unpaid dividends thereon prior to any distribution to the other shareholders. Such amount shall be called the preference amount. If the Company has insufficient assets to permit payment of the preference amount in full to FTAMPL, then the assets of the Company shall be converted into cash and distributed to FTAMPL to meet this deficiency.

Only once this amount is settled, shall the balance amount of the surplus be distributed pro-rata among all the shareholders including FTAMPL.

Termination: The SSA shall stand terminated when the shareholding of FTAMPL falls below 502,816 Equity Shares or FTAMPL has been provided an exit in accordance with the SSA. The SSA defines an exit to mean any strategic sale or merger of the Company or an IPO that the Company undertakes.

In the event of an IPO, all the rights given to FTAMPL in the SSA shall automatically stand withdrawn and cancelled on the day on which the listing of the Company takes place on the requisite stock exchanges.

Other Agreements


Memorandum of Understanding entered between our Company and Hughes Communications India Limited dated January 7, 2010 (“Hughes MoU”)

Our Company has entered into the Hughes MoU in order to provide satellite based interactive services which include providing educational courses through Hughes Communications India Limited’s VSAT network spread across India. Such education courses shall be delivered based upon the program calendar, jointly prepared by the parties. In terms of the Hughes MoU, there shall be identification of programs from the program calendar, which both the parties shall conduct. Our Company shall be delivering the program using components and qualified professors/or acting managers in the manner as may be represented. Further, we shall also be delivering materials and modules, monitor progress of the program and shall provide feedback to Hughes Communication India Limited.

In consideration of providing the educational courses, our Company shall be entitled to 25% share in the program fee, which shall be in addition to the course material fee, alumni & library fees.

The Hughes MoU has come into effect from January 1, 2010 and would be valid for a period of 5 years.

Trademark License Agreement between Mr. Pramod Maheshwari and our Company dated February 4, 2010 (‘Trademark License Agreement’)

We have entered into Trademark License Agreement for grant of exclusive, irrevocable, renewable right to use the trademark “” for activities and services including but not limited to operating and managing schools, universities, learning centres, distance learning service centres, coaching for medical engineering and other such examinations either in classrooms or through other delivery channels such as satellite, internet and video and related services. The agreement is for a period of 11 years. The consideration for grant of the rights is for a lumpsum amount of Rs. 10,000.

Guarantees

Our Company or our Promoters have not given any guarantees to any third parties.

Strategic Partners

Our Company has not entered into any strategic partnership agreements.

Financial Partners

Our Company has not entered into any financial partnership agreements.

OUR MANAGEMENT

Under the Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. Our Company currently has eight Directors on its Board.

Board of Directors

The following table sets forth details regarding our Board of Directors as on the date of this Red Herring Prospectus.

Name, Designation, Father's Name, Term, Date of Appointment, Address, Occupation and DIN	Age (Years)	Status of Director in the Company	Other Directorships/Partnerships /Trusteeship
<p>Mr. Pramod Maheshwari <i>Chairman, Managing Director and CEO</i></p> <p>S/o Mr. Gulab Chand Maheshwari</p> <p>Date of Appointment: March 31, 2000. Designated as Managing Director, CEO and Chairman on July 1, 2007, November 1, 2007 and January 7, 2010 respectively.</p> <p>Term: For a period of five years, with effect from July 1, 2007</p> <p>Occupation: Professional</p> <p>Address: 112A Chambal Garden Road, Shakti Nagar, Kota – 324 009 Rajasthan India</p> <p>DIN: 00185711</p>	39	Executive Non-independent	<p>Companies</p> <ol style="list-style-type: none"> Career Point Edutech Limited; Career Point Publications Private Limited; Wellwin Technosoft Private Limited; Career Point Infra Limited; and Career Point Foundation <p>Partnership</p> <ol style="list-style-type: none"> Maheshwari Brothers. <p>Trusteeship</p> <ol style="list-style-type: none"> Gopi Bai Foundation Trust Kota (Raj.); Proseed Foundation; Progressive Foundation; Shakti Foundation; and Sankalp Foundation. <p>Karta</p> <ol style="list-style-type: none"> Pramod Maheshwari (HUF).
<p>Mr. Om Prakash Maheshwari <i>Whole time Director and CFO</i></p> <p>S/o Mr. Gulab Chand Maheshwari</p> <p>Term: Non- retiring</p> <p>Date of Appointment:</p>	41	Executive Non-independent	<p>Companies</p> <ol style="list-style-type: none"> Career Point Edutech Limited; Career Point Publications Private Limited; Diamond Business Solutions Private Limited; Rubymerry Enterprises Private Limited; Wellwin Technosoft Private Limited; Longway Business Solutions

Name, Designation, Father's Name, Term, Date of Appointment, Address, Occupation and DIN	Age (Years)	Status of Director in the Company	Other Directorships/Partnerships /Trusteeship
<p>March 31, 2000. Designated as Whole Time Director and CFO on April 1, 2006 and November 1, 2007 respectively.</p> <p>Occupation: Professional</p> <p>Address: 112A Chambal Garden Road, Shakti Nagar Kota – 324 009 Rajasthan India</p> <p>DIN: 00185677</p>			<p>Private Limited;</p> <ol style="list-style-type: none"> Swastika Polyolefins Private Limited; Shricon Industries Limited; Career Point Infra Limited; Maheshwari Agrobases Private Limited; and Career Point Foundation. <p>Partnership</p> <ol style="list-style-type: none"> Maheshwari Brothers. <p>Trusteeship</p> <ol style="list-style-type: none"> Gopi Bai Foundation Trust Kota (Raj.); Proseed Foundation; Progressive Foundation; Shakti Foundation; and Sankalp Foundation <p>Karta</p> <ol style="list-style-type: none"> Om Prakash Maheshwari (HUF).
<p>Mr. Nawal Kishore Maheshwari <i>Whole time Director</i></p> <p>S/o Gulab Chand Maheshwari</p> <p>Term: Non-retiring</p> <p>Date of Appointment: March 31, 2000. Designated as Whole Time Director on April 1, 2006</p> <p>Occupation: Professional</p> <p>Address: 112A, Chambal Garden Road, Shakti Nagar, Kota – 324 009 Rajasthan India</p> <p>DIN: 00185762</p>	35	Executive Non-independent	<p>Companies</p> <ol style="list-style-type: none"> Career Point Edutech Limited; Career Point Publications Private Limited; Career Point Infra Limited; Swastika Polyolefins Private Limited; Wellwin Technosoft Private Limited; Shricon Industries Limited; Maheshwari Agrobases Private Limited; and Career Point Foundation. <p>Partnerships</p> <ol style="list-style-type: none"> Maheshwari Brothers. Shri Bithal Traders. <p>Trusteeship</p> <ol style="list-style-type: none"> Gopi Bai Foundation Trust Kota (Raj.); Proseed Foundation; Progressive Foundation; Shakti Foundation; and Sankalp Foundation

Name, Designation, Father's Name, Term, Date of Appointment, Address, Occupation and DIN	Age (Years)	Status of Director in the Company	Other Directorships/Partnerships /Trusteeship
			Karta 1. Nawal Kishore Maheshwari (HUF).
Mr. Pritam Kumar Goswami <i>Director</i> S/o Mr. Prahlad Goswami Term: Liable to retire by rotation Date of Appointment: November 1, 2007 Occupation: Practicing Chartered Accountant Address: 157, Aditya Awas Colony Police Lines Kota – 324 001 Rajasthan India DIN: 00082224	39	Non-executive Independent	Companies 1. Prime Creations Private Limited. 2. Veracity Management Solutions Private Limited.
Mr. Pawan Kumar Lalpuria <i>Director</i> S/o Late Mr. Jagdish Prasad Lalpuria Term: Liable to retire by rotation Date of Appointment: November 1, 2007 Occupation: Practicing chartered accountant Address: A – 835, Pyramid House, Indra Vihar Kota – 324005 Rajasthan India	43	Non-executive Independent	Companies 1. Pyramid Media and Computer Network Private Limited. 2. Veracity Management Solutions Private Limited. 3. Kota Chemicals Cluster Private Limited.

Name, Designation, Father's Name, Term, Date of Appointment, Address, Occupation and DIN	Age (Years)	Status of Director in the Company	Other Directorships/Partnerships /Trusteeship
DIN: 02016032			
<p>Mr. Ram Swaroop Chaudhary <i>Director</i></p> <p>S/o Late Mr. Ghanshyam Lal Chaudhary</p> <p>Term: Liable to retire by rotation</p> <p>Date of Appointment: November 1, 2007</p> <p>Occupation: Businessman</p> <p>Address: 2-GA-5, Dadabari Kota – 324 009 Rajasthan India</p> <p>DIN: 00711599</p>	67	Non-executive Independent	<p>Companies</p> <ol style="list-style-type: none"> 1. C-Tech Projects (India) Private Limited; and 2. Ani Industries, Kota.
<p>Mr. Arun Luharuka <i>Nominee Director</i></p> <p>S/o Mr. Mangilal Luharuka</p> <p>Term: Non- retiring</p> <p>Date of Appointment: January 1, 2010</p> <p>Occupation: Service</p> <p>Address: 704, B 3, Siddhi Vinayak, C-H-Soc., Asha Nagar, Western Express Highway, Borivali (E), Mumbai – 400066 Maharashtra India.</p> <p>DIN: 02889091</p>	40	Non - executive Non- independent	<p>Companies</p> <p>NIL</p>
<p>Mr. Dwarka Das Nihchal Das Nainani <i>Director</i></p>	58	Non-executive Independent	<p>Companies</p> <ol style="list-style-type: none"> 1. Kaizen Enterprises Private

Name, Designation, Father's Name, Term, Date of Appointment, Address, Occupation and DIN	Age (Years)	Status of Director in the Company	Other Directorships/Partnerships /Trusteeship
<p>S/o Mr. Nihchaldas Nainani</p> <p>Term: Liable to retire by rotation</p> <p>Date of Appointment: January 1, 2010</p> <p>Occupation: Professional</p> <p>Address: 20/238, Shripura, Opposite Water Works Office, Kota – 324 006 Rajasthan India</p> <p>DIN: 00202188</p>			<p>Limited; and</p> <p>2. Ashirwad Lifestyle Constructions Private Limited.</p>

Brief Profile of our Directors

Mr. Pramod Maheshwari: Mr. Pramod Maheshwari, age 39 years, is the Chairman, Managing Director and CEO of our Company. He has been a Director of our Company since March 2000. He holds a B.Tech Degree from IIT Delhi. He is a first generation entrepreneur and the key founder member of our Company. Mr. Pramod Maheshwari has over 15 years of experience in developing and implementing training methodologies. He plays a major role in providing thought, leadership and strategic guidance to our Company, in addition to supervising the functional heads. He is responsible for the overall operation and growth of our Company.

Mr. Om Prakash Maheshwari: Mr. Om Prakash Maheshwari, age 41 years, is a wholetime Director and CFO of our Company. He holds a Bachelor's Degree in Mechanical Engineering from University of Rajasthan. He has over 16 years of experience in the field of finance. He is also a founder member of our Company, and is responsible for overall project implementation as well as financial and legal matters of our Company.

Mr. Nawal Kishore Maheshwari: Mr. Nawal Kishore Maheshwari, age 35 years, is a wholetime Director of our Company. He has over nine years of experience in the field of administration. He holds a Bachelor's Degree in Commerce from Maharshi Dayanand Saraswati University, Ajmer. He is associated with our Company since its incorporation. He is in-charge of various functions including administration, liasoning and other day to day affairs of our Company.

Mr. Pritam Kumar Goswami: Mr. Pritam Kumar Goswami, age 39 years, is an independent and non-executive Director of our Company. He is a practicing chartered accountant and partner in ASAP & Co. He has over 16 years of experience in the field of finance and taxation. He is also a certified corporate trainer in soft skills and has conducted numerous programs for companies, colleges, institutions and NGOs.

Mr. Ram Swaroop Chaudhary: Mr. Ram Swaroop Chaudhary, age 67 years, is an independent and non-executive Director of our Company. He holds a Bachelor's Degree in Mechanical Engineering from

Vikram University, Ujjain. He started his career as a 'Scientific Engineer' in the Department of Atomic Energy, Government of India Service. He has 27 years of experience of working with the Department of Atomic Energy.

During his tenure with the Department of Atomic Energy, he held senior positions like, Superintendent Engineer (Mechanical), Maintenance Superintendent and Additional Chief Engineer. He has been certified by the Nuclear Power Corporation as a professionally qualified engineer for the erection and maintenance of nuclear power plants.

Mr. Pawan Kumar Lalpuria: Mr. Pawan Kumar Lalpuria, age 43 years, is an independent and non-executive Director of our Company. He is a practicing chartered accountant and also qualified as a Company Secretary, practicing under his own name. He has over 18 years of experience in the field of income tax, corporate finance and company law matters.

Mr. Arun Luharuka: Mr. Arun Luharuka, age 40 years, is the nominee of Franklin Templeton Asset Management India (Pvt.) Ltd. on the Board of our Company. He holds a Bachelor of Commerce from University of Mumbai and is a Chartered Accountant. Mr Arun Luharuka has 14 years of experience in the financial sector and currently holds senior position in Franklin Templeton group company.

Mr. Dwarka Das Nihchal Das Nainani: Mr. Dwarka Das Nihchal Das Nainani, age 58 years, is a non-executive and independent Director of our Company. He holds a Bachelor's Degree in Mechanical Engineering from Birla Institute of Technology and Science, Pilani and a Post Graduate Diploma in Industrial Engineering from the National Productivity Council. He has over 30 years of experience in the field of finance, commercial and operations. His fields of specialization are project management and inventory control.

Remuneration details of our directors:

a. Remuneration details of our executive Directors:

- (1) **Mr. Pramod Maheshwari** has been appointed as the Managing Director of our Company with effect from July 1, 2007 pursuant to a resolution passed at the EGM of our Company on July 31, 2007. Subsequently, he has also been appointed as the Chairman of our Company pursuant to a resolution passed by our Board dated January 7, 2010. The remuneration payable to him as Managing Director of our Company has been determined, with effect from July 1, 2007 for a period of 5 years and is constituted as under:
 - (a) Salary: Rs. 100,000 per month.
 - (b) House rent allowance: Rs. 40,000 per month.
 - (c) Medical reimbursement: expenditure on self and family within a limit of Rs. 1,250 per month.
 - (d) Allowance on purchase of books/Journal/ Periodicals: such expenditure for furtherance of academic or professional knowledge and research for furtherance of company's business subjected to maximum of Rs. 3,200 per month.
 - (e) Transport allowance: to be paid for to & fro residence to office at Rs. 800 per month.
 - (f) Leave travel allowance upto one month's salary, which can be availed once in two years.
 - (g) Gratuity: not exceeding on half month's salary for each completed years of service.
 - (h) Bonus: as per rules of our Company not exceeding 20% of salary.
 - (i) Superannuation fund: superannuation or annuity funds benefits in accordance with any such scheme adopted by our Company.
 - (j) Earned leave: on full pay and allowances not exceeding one month's leave for every completed 11 month's service and leave accumulated and not availed to be encashed as per our Company's rule.
 - (k) Reimbursement of expenses: reimbursement of travelling and other expenses incurred by him during the course of business of our Company.

- (2) **Mr. Om Prakash Maheshwari and Mr. Nawal Maheshwari's** salaries have been revised in the EGM held on July 31, 2007. The salary revision is to take effect from July 1, 2007. It also includes various other emoluments which are as follows:
- (a) Salary: Rs. 100,000 per month.
 - (b) House rent allowance: Rs. 40,000 per month.
 - (c) Medical reimbursement: expenditure on self and family within a limit of Rs. 1,250 per month.
 - (d) Allowance on purchase of books/journal/periodicals: such expenditure for furtherance of academic or professional knowledge and research for furtherance of company's business subjected to maximum of Rs. 3,200 per month.
 - (e) Transport allowance: to be paid for to & fro residence to office at Rs. 800 per month.
 - (f) Leave travel allowance upto one month's salary, which can be availed once in two years.
 - (g) Gratuity: not exceeding on half month's salary for each completed years of service.
 - (h) Bonus: as per rules of our Company not exceeding 20% of salary.
 - (i) Superannuation fund: superannuation or annuity funds benefits in accordance with any such scheme adopted by our Company.
 - (j) Earned leave: on full pay and allowances not exceeding one month's leave for every completed 11 month's service and leave accumulated and not availed to be encashed as per our Company's rule.
 - (k) Reimbursement of expenses: reimbursement of travelling and other expenses incurred by him during the course of business of our Company.

The remuneration for the Financial Year 2010 paid to the three executive directors was Rs. 1.74 million each.

b. Remuneration details of our non-executive and independent Directors

Our non-executive directors are neither paid remuneration nor sitting fees for attending meetings.

Shareholding of Directors in our Company

Our Articles do not require the Directors to hold any qualification shares in our Company. For details of shareholding of our Directors in our Company, see section titled "*Capital Structure*" at page 64.

Relationships between Directors

Except Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari who are brothers, none of our Directors are related to each other.

Details of service contracts

Except as otherwise provided in this section, there are no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment.

Interest of Directors

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

Our Directors may also be regarded as interested in Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in the section titled “*Financial Statements – Related Party Transactions*” at F - 33, and to the extent of shareholding in our Company, our Directors do not have any other interest in:

- (a) Our business; and
- (b) Any property acquired by our Company or its subsidiaries within two years of the date of filing of this Draft Red Herring Prospectus.

Changes in our Board during the last three years

The following changes have occurred in our Board of Directors during the last three years:

Sr. No	Name of Director	Date of Appointment/ Reappointment	Date of Cessation	Reason
1.	Mr. Pramod Maheshwari	July 1, 2007	-	Appointed as Managing Director
2.	Mr. Pritam Kumar Goswami	November 1, 2007	-	Appointed as an Additional Director
3.	Mr. Ram Swaroop Chaudhary	November 1, 2007	-	Appointed as an Additional Director
4.	Mr. Pawan Kumar Lalpuria	November 1, 2007	-	Appointed as an Additional Director
5.	Mr. Pritam Kumar Goswami, Mr. Ram Swaroop Chaudhary and Mr. Pawan Kumar Lalpuria	September 29, 2008	-	Appointed as Director
6.	Ms. Deepa Sankaran	July 27, 2009	January 1, 2010	Personal reasons
7.	Mr. Arun Luharuka	January 1, 2010	-	Appointed as a Nominee Director
8.	Mr. Dwarka Das Nihchal Das Nainani	January 1, 2010	-	Appointed as an Additional Director

Corporate Governance

The provisions of the listing agreements to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with clause 49 of such listing agreement, particularly, in relation to appointment of independent Directors to our Board and constitution of the audit committee, the investor grievance committee and the remuneration committee. The Board functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Currently our Board has eight Directors of which the Chairman of the Board is an Executive Director and five non-executive Directors on our Board, of whom four are independent Directors in compliance with the requirements of clause 49 of the listing agreement. In terms of clause 49 of the listing agreement, our Company has constituted the following committees:

- (a) Audit Committee;
- (b) Shareholders/Investor Grievance, Share Allotment and Share Transfer Committee; and
- (c) Remuneration Committee.

Audit Committee

The Audit Committee was constituted by our Directors at their Board meeting held on November 1, 2007 duly reconstituted vide Board meeting dated January 1, 2010 (“**Audit Committee**”). The Audit Committee presently comprises of the following members:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Pawan Kumar Lalpuria	Chairman	Independent and non-executive
2.	Mr. Pritam Kumar Goswami	Member	Independent and non-executive
3.	Mr. Dwarka Das Nihchal Das Nainani	Member	Independent and non-executive
4.	Mr. Arun Luharuka	Member	Non-independent and non- executive

Scope and terms of reference: The Audit Committee will perform the following functions with regard to accounts and financial management:

- overseeing of our Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- appointment, removal and terms of remuneration of internal auditors
- reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the ‘Director’s Responsibility Statement’ to be included in our Board’s report in terms of Clause (2AA) of Section 217 of the Companies Act;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) qualifications in the draft audit report.
 - (h) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - (i) monitoring the use of the proceeds of the proposed initial public offering of the Company;
 - (j) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (k) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (l) discussion with internal auditors on any significant findings and follow up there on;
 - (m) reviewing internal audit reports and adequacy of the internal control systems;
 - (n) reviewing the adequacy of any internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (o) reviewing management letters/letters of internal control weaknesses issued by the statutory auditors;
 - (p) discussion with internal auditors any significant findings and follow- up thereon;
 - (q) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- (r) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (s) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- (t) to review the functioning of the 'Whistle Blower' mechanism when the same is adopted by the Company and is existing; and
- (u) carrying out any other function as maybe statutorily required to be carried out by the Audit Committee.

Shareholders'/Investors' Grievance, Share Allotment and Share Transfer Committee

The Shareholders/Investors Grievance, Share Allotment and Share Transfer Committee was constituted by our Directors at the Board meeting held on November 1, 2007 ("**Investor Grievance Committee**"). The members of the Investor Grievance Committee are as follows:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Ram Swaroop Chaudhary	Chairman	Independent and non-executive
2.	Mr. Pawan Kumar Lalpuria	Member	Independent and non-executive
3.	Mr. Pritam Kumar Goswami	Member	Independent and non-executive
4.	Mr. Arun Luharuka	Member	Non - independent and non-executive

Scope and terms of reference: The Investor Grievance Committee has been constituted to do the following acts, for which purpose it shall have the power to seek all information contained in the records of our Company and external professional advice, if necessary. The Investor Grievance Committee shall have the authority to allot the equity shares of our Company and to supervise and ensure:

- efficient transfer of shares; including review of cases for refusal of transfer/transmissions of shares and debentures;
- redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.;
- issue of duplicate/split/consolidated share certificates;
- allotment and listing of shares;
- review of cases for refusal of transfer/transmission of shares and debentures;
- reference to statutory and regulatory authorities regarding investor grievances; and
- to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

Remuneration/Compensation Committee

The remuneration/compensation committee was constituted by our Directors at the Board meeting held on November 1, 2007 ("**Remuneration Committee**"). The Company Secretary of our Company shall assist the Remuneration Committee to convene its meetings and other related matters. The members of Remuneration/Compensation Committee are:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Pritam Kumar Goswami	Chairman	Independent and non-executive
2.	Mr. Ram Swaroop Chaudhary	Member	Independent and non-executive
3.	Mr. Pawan Kumar Lalpuria	Member	Independent and non-executive
4.	Mr. Arun Luharuka	Member	Non - independent and non-executive

Scope and terms of reference: The Remuneration Committee is entrusted with the power to determine our Company's policy on specific remuneration packages, including pension rights and other compensation for

executive Directors and other employees of our Company. Further, the Remuneration Committee exercises powers in relation to the matters listed below:

- to recommend to the Board, the remuneration packages of our Company's managing/joint managing/ deputy managing/whole time/ executive directors, including all elements of remuneration package (that is salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives alongwith the performance criteria, service contracts, notice period, severance fees etc.);
- to be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's managing/joint managing/ deputy managing/whole time/ executive directors, including pension rights and any compensation payment; and
- to implement, supervise and administer any share or stock option scheme of our Company.

IPO Committee

The IPO committee was constituted by our Directors at Board meeting held on January 1, 2010 ("IPO Committee"). The IPO Committee comprises of:

Sr. No	Name of the Member	Designation	Nature of Directorship
1.	Mr. Pramod Maheshwari	Chairman	Executive and non-independent
2.	Mr. Om Prakash Maheshwari	Member	Executive and non-independent
3.	Mr. Nawal Kishore Maheshwari	Member	Executive and non-independent
4.	Mr. Arun Luharuka	Member	Non - independent and non-executive

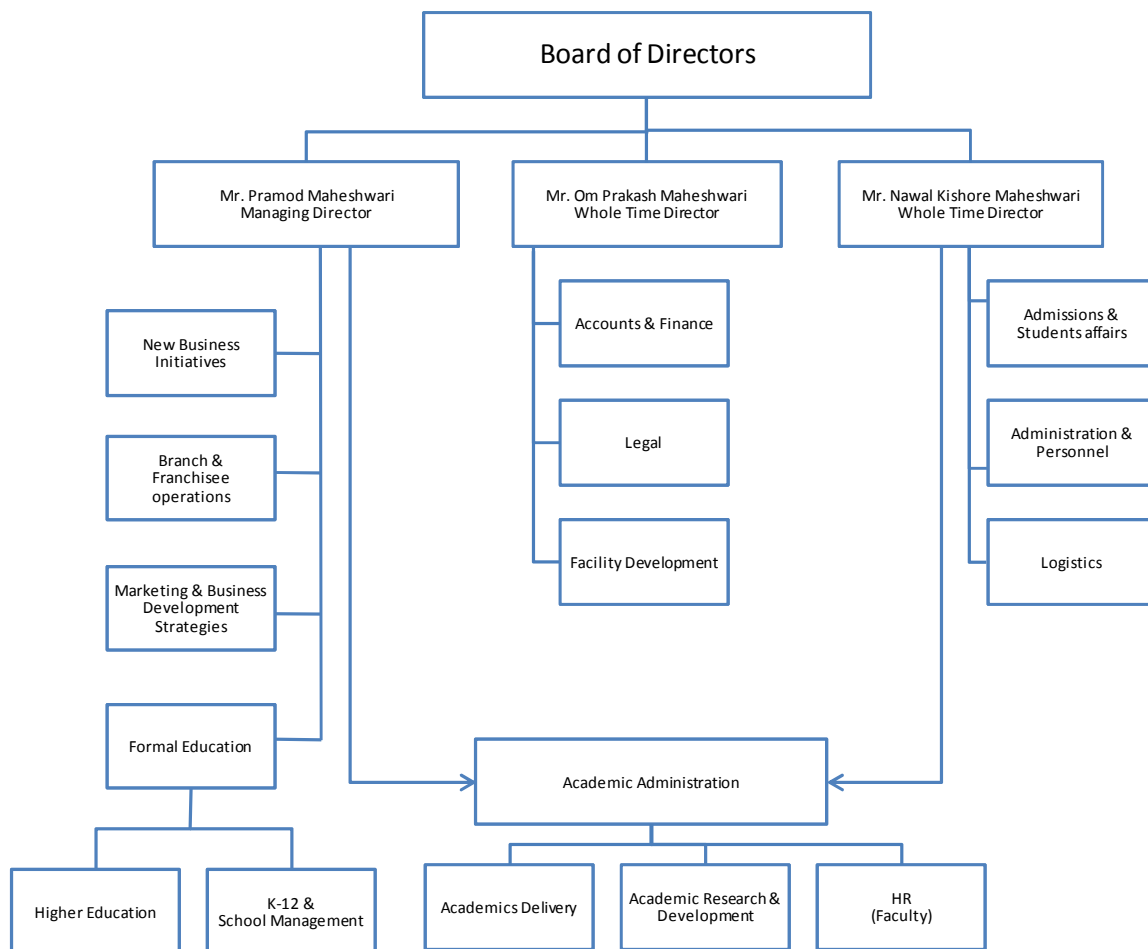
Scope and terms of reference:

- approve, implement, negotiate, carry out and decide upon all activities relating to this Issue;
- preparing, approving, finalising and filing this Draft Red Herring Prospectus and the Red Herring Prospectus with SEBI, the Stock Exchanges and other regulatory bodies as may be required;
- approving a code of conduct and a suitable policy on insider trading, approving any corporate governance requirement;
- deciding on the number of Equity Shares to be offered in this Issue and appointing various intermediaries and advisors to this Issue as may be necessary including determining their remuneration,
- deciding on objects of the Issue and the estimated expense in the Issue and appointing various intermediaries and advisors to this Issue as may be necessary including determining their remuneration, ,
- deciding on objects of the Issue and the estimated expense on the Issue, allocation of the Equity shares to specific categories of persons, opening of bank accounts, securities account, escrow or custodian accounts,
- submitting applications and seeking listing of Equity Shares with the Stock Exchanges,
- seeking consent of the lenders with whom our Company has entered into various commercial agreements, determining and finalising the price band, bid opening and closing date of this Issue, approving and finalising the 'Basis of Allocation',
- determining the price at which the Equity Shares are to be offered to the investors, settling difficulties and doubts arising in relation to the Issue, empowering the authorized officers to enter into and execute any agreements or arrangements in relation to the Issue.

Borrowing powers of our Board

Pursuant to a resolution passed by our shareholders dated August 13, 2007 in accordance with provisions of the Companies Act, our Board has been authorized to borrow from time to time, all such sums of money for the purposes of the business of our Company, as the Board may in its discretion think fit, notwithstanding that the money or monies to be so borrowed together with the sums already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of our Company and its free reserves that is to say, reserves not set apart for any specific purposes, provided however that the sums so borrowed shall not exceed Rs. 1,000 million.

Management Organizational Structure



Key Managerial Personnel

All Key Managerial Personnel are permanent employees of our Company. The details of our Key Managerial Personnel other than our Directors are set forth below:

Mr. Shailendra Maheshwari, age 38 years, is Senior Vice President – Academics & Product Development of our Company and holds a B.E. (Electronics & Communications) degree from University of Rajasthan. He has been working with Career Point group since 1995 and with effect from April 1, 2006, he is on rolls of our Company. He has an experience of 13 years in the teaching field and has grown to fame as ‘Math Guru’ through his coaching and guiding students for competitive examinations. As a Senior Vice President, he formulates and monitors the implementation of the effective academic system in our Company. The remuneration paid to him for the last Financial Year was Rs. 600,000.

Mr. Mithilesh Dixit, age 48 years, is the Senior Vice President, School & Vocational Education, and holds a M. Sc. (Defense and Strategic Studies) degree from Madras University followed by MBA in business development and marketing and a Doctorate in international relations from Trinity University, USA. He is a member of Indo Canadian Chamber of Commerce. He joined our Company on April 14, 2008 and has over 27 years experience in the army, academic and corporate sector with specific exposure to corporate affairs. Prior to joining our Company, he worked with ABC Investment and Management Company in USA as Vice President Corporate Affairs. His current responsibilities in our Company include managing the formal and vocational education departments. The remuneration paid to him during the last Financial Year was Rs. 1,423,167.

Mr. Rajneesh Goyal, age 34 years, is the Vice-President (Academics-Test Preparation) in our Company. He is a B.E. (Production & Industrial) from University of Rajasthan. He joined the Career Point group in the year 1999 and with effect from April 1, 2006, he is on the rolls of our Company. Prior to joining our Company, he has worked as a lecturer in the Engineering College, Kota. He has an overall experience of nine years in the field of education. Currently, he is overall in charge of the mathematics department. The remuneration paid to him during the last Financial Year was Rs. 2,400,000.

Mr. Sanjay Gupta, age 37 years, is the Regional Head (North) in our Company and has done his B.E. in Electrical Engineering from MNIT, Jaipur. Prior to joining our Company, he was working as an Assistant Manager with Master Mind Classes, Jaipur and has over 13 years of experience in the field of project engineering and branch management. He joined the Career Point group in the year 2002 and with effect from April 1, 2006, he is on the rolls of our Company. He oversees the effective functioning of the Jaipur learning centre. The remuneration paid to him during the last Financial Year was Rs.854,925.

Mr. Bhimsen Sant, age 40 years, is the Assistant Vice-President (Academic Branch-Test Prep) and has done his B.E. (Hons.) Electrical Engineering from Engineering College, Kota in 1992. Prior to joining our Company, he was an Operational Manager at Kota, Thermal Power Station where he was in charge of boiler operations. He has over eight years' experience as Co-ordinator (Academics) at Career Point, Kota and 2 years of experience as Director Academics, Career Point, Jodhpur. He also has over 16 years of experience as a teaching faculty in physics. He joined our Company on May 20, 2008 and he is not only a part of our faculty, but, also oversees the effective functioning of our learning centres at Jodhpur. The remuneration paid to him during the last Financial Year was Rs.1,352,426.

Mr. Ajeet Singh, age 30 years, is the Regional Head (Central) and has done his B.Tech (Civil Engineering) from Indian Institute of Technology, New Delhi. He began his career with our Company's franchisee centre at Durgapur and was appointed as a maths faculty in our Company's franchisee centre where he worked from 2005 to 2008. He has over 6 years of experience in the field of teaching. He joined our Company with effect from April 16, 2008. He was promoted to Regional Head on April 1, 2009, and he now oversees the effective functioning of our learning centre at Nagpur. The remuneration paid to him during the last Financial Year was Rs.866,638.

Mr. Vinay Naysar, age 36 years, is the General Manager, Branch Operations and has done his graduation in commerce from Commerce College, Jaipur, University of Rajasthan. He also completed his Bachelor of Business Administration with specialisation in marketing management from Newport University, California, USA. He has over 13 years experience in the field of education. Prior to joining our Company, he was the Director for Jaipur centre of Intelligrowth Edusystems Private Limited which specialises in preparing students for pre-medical examinations in India. He joined our Company with effect from April 17, 2009 and his current responsibilities include overseeing the effective functioning of the various Company operated learning centres. The remuneration paid to him during the last Financial Year was Rs. 750,587.

Mr. Ankesh Jain, age 31 years, is the General Manager (Sales and Marketing) and has done his MBA – Finance from R.A. Podar Institute of Management. He has also completed his GNIIT training from NIIT and has over 9 years of experience in business development, franchising, media planning, media deal, advertising, brand promotion and consultancy. Prior to joining our Company, he was with GT Computer Hardware Engineering College Private Limited for a period of five years as franchisee development manager handling 76 centres all over India. He joined our Company with effect from April 26, 2007 and is currently responsible for new market development and opening of new Company operated learning centres. The remuneration paid to him during the last Financial Year was Rs.530,014.

Mr. Modali Venkat Hari Kishen, age 37 years is the General Manager (Franchisee) in our Company. He joined our Company on February 12, 2003 and has nine years of experience in publishing and franchising industries with specific exposure to concept selling, franchisee development and operational support. He is a graduate in commerce from Pandit Ravi Shankar Shukla University, Raipur and holds a post graduate diploma in business development with specialization in marketing from A. M. Jain Institute of

Management, Chennai. Prior to joining our Company, he has worked with NIIT as business head of Faridabad branch. His current responsibilities in our Company include business development at national franchisee networks and extending support to our operational aspects. The remuneration paid to him during the last Financial Year was Rs. 567,792.

Mr. Tarun Kumar Jain, age 30 years is a qualified Company Secretary from the Institute of Company Secretaries of India. He joined our Company on November 1, 2007 and has six years of managerial experience. He is currently responsible for management and supervision of secretarial, legal and corporate compliance functions of our Company. He is commerce and law graduate from M.D.S. University, Ajmer, Rajasthan and also a member of Institute of Financial Consultants, USA and Chartered Association of Business Administrators, Canada. Prior to joining our Company, he has worked with TNT Speedage Express Cargo Services as Head of Legal and Company Secretary. The remuneration paid to him during the last Financial Year was Rs. 694,992.

Mr. Akhilesh Jain, age 31 years, is the Vice President, Academics - Formal Education of our Company. He has over 7 years of experience in the field of teaching and administration. He joined our Company with effect from September 8, 2008. He has done his Master's in (Pre) Psychotherapy from IPMS, Mumbai and M. Phil (Mgt.), Alagappa University alongwith graduation in applied sciences from M.D.S. University, Ajmer. Prior to joining our Company, he was with ICFAI National College, Kota as a senior faculty in management education. The remuneration paid to him during the last Financial Year was Rs. 459,683.

Relationship between Key Managerial Personnel

Except for Mr. Shailendra Maheshwari who is related to our Promoters, none of our Key Managerial Personnel are related to each other.

Details of service contracts of our Key Managerial Personnel

Except for the appointment letters, our Key Managerial Personnel have not entered into any other contractual arrangements with our Company.

Further, all our Key Managerial Personnel mentioned above are officers of our Company vested with executive powers and function at a level immediately below the Board.

Interest of Key Managerial Personnel

Except as disclosed below, none of our Key Managerial Personnel have any interest in our Company and/or our Subsidiaries and Associate company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company and/or our Subsidiaries.

Shareholding of the Key Managerial Personnel

None of our Key Managerial Personnel hold Equity Shares in our Company.

Changes in our Key Managerial Personnel

The following are the changes in the Key Managerial Personnel during the last three years:

S.No.	Name	Date of appointment	Date of Cessation	Reasons if any
1.	Mr. Tarun Kumar Jain	November 1, 2007	--	Appointment
2.	Mr. Mithilesh Dixit	April 14, 2008	--	Appointment
3.	Mr. Ajeet Singh	April 16, 2008	--	Appointment
4.	Mr. Bhimsen Sant	May 20, 2008	--	Appointment
5.	Mr. Akhilesh Jain	September 8, 2008	--	Appointment

6.	Mr. Vinay Nayasar	April 17, 2009	--	Appointment
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Bonus or profit sharing plan for the Key Managerial Personnel

There is no separate bonus or profit sharing plan for our Key Managerial Personnel by our Company.

Scheme of employee stock option or employee stock purchase

Our Company does not have any scheme of employee stock option or employee stock purchase.

Payment of benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of the Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation.

Loans taken by Directors / Key Managerial Personnel/ Employees as on July 31 , 2010

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees, except the following:

- a. Loan amounting to Rs. 2.60 million has been provided to our Key Managerial Personnel for the period commencing from April 2008 to March 2010.
- b. Loan amounting to Rs. 0.05 million has been provided to our Key Managerial Personnel for the period commencing from April 2010 to July 31, 2010.
- c. Loan amounting to Rs. 14.65 million has been provided to our employees (excluding Key Managerial Personnel) for the period commencing from April 2008 to March 2010.

Except for the above, our Directors, Key Managerial Personnel and employees have not taken any loans from our Company.

Arrangements and understanding with major shareholders

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others as a director or member of senior management.

OUR PROMOTERS AND GROUP COMPANIES


Promoters

The following are the Promoters of our Company:


1. Mr. Pramod Maheshwari
2. Mr. Om Prakash Maheshwari; and
3. Mr. Nawal Kishore Maheshwari.

The details of our Promoters are as follows:


1. Mr. Pramod Maheshwari

	Permanent Account Number	ABYPM2876K
	Passport Number	E7115817
	Voter ID Number	RJ/14/107/0363933
	Driving License Number	RJ-20/DLC/2007/180632
	Bank Account Number	01671000094061 – HDFC Bank
	Address:	112A, Chambal Garden Road, Shakti Nagar, Kota – 324 009, Rajasthan, India

2. Mr. Om Prakash Maheshwari

	Permanent Account Number	ABHPM3580H
	Passport Number	E1636447
	Voter ID Number	RJ/14/107/0363809
	Driving License Number	RJ-20/DLC/2004/93277
	Bank Account Number	01671000093846 – HDFC Bank
	Address:	112A, Chambal Garden Road, Shakti Nagar, Kota – 324 009, Rajasthan, India

3. Mr. Nawal Kishore Maheshwari

	Permanent Account Number	ABGPM1388N
	Passport Number	A9468764
	Voter ID Number	RJ/14/107/364368
	Driving License Number	35136
	Bank Account Number	01671000094051 – HDFC Bank
	Address:	112A, Chambal Garden Road, Shakti Nagar, Kota – 324 009, Rajasthan, India

For more details of Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari, see the section titled “*Our Management*” at page 144.

Interest of the Promoters

Interest in promotion of our Company

Our Company had been incorporated by Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari. For this purpose, they had subscribed to our Memorandum of Association and to the initial issue of our Equity Shares.

Interest in the property of our Company

Except as disclosed in the section titled “*Our Business*” at page 115 and “*Financial Statements – Related Party Transactions*” at F - 33, our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of the Draft Red Herring Prospectus.

Interest as member of our Company

Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari hold 1,393,200, 1,386,300 and 1,385,800 Equity Shares, respectively, in our Company and are therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company and benefits as provided to them in the section titled “*Our Management*” at page 144, our Promoters hold no other interest in our Company.

Interest as Director of our Company

Please refer to section titled “*Our Management – Interest of our Directors*” at page 150.

Payment of benefits to our Promoters during the last two years

Except as stated in the section “*Financial Statements - Related Party Transactions*” at F - 33, there has been no payment of benefits to our Promoters since the date of incorporation of our Company.

Common pursuits

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

Confirmations by the Promoters

Our Promoters including relatives of our Promoters have confirmed that they have not been detained as wilful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them and none of our Promoters including relatives of Promoters have been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Related party transactions

Except as disclosed in the section “*Financial Information - Related Party Transactions*” at F - 33, our Company has not entered into any related party transactions with the Promoters or Group Companies and entities.

Promoter Group

Promoter Group Individuals

The following natural persons (being the immediate relatives of our Promoters) form part of our Promoter Group:

Relatives of Mr. Pramod Maheshwari

Relationship	
Father	Mr. Gulab Chand Maheshwari
Mother	Ms. Kailash Bai Maheshwari
Brother	Mr. Om Prakash Maheshwari, Mr. Nawal Kishore Maheshwari
Sister	Ms. Radha Rani Nuwal
Spouse	Ms. Shilpa Maheshwari
Children	Ms. Priyal Maheshwari, Ms. Pihul Maheshwari
Spouse's Father	Mr. Shravan Kumar Nyati
Spouse's Mother	Ms. Pramila Nyati
Spouse's Brother	Mr. Rahul Nyati

Relatives of Mr. Om Prakash Maheshwari

Relationship	
Father	Mr. Gulab Chand Maheshwari
Mother	Ms. Kailash Bai Maheshwari
Brother	Mr. Pramod Maheshwari, Mr. Nawal Kishore Maheshwari
Sister	Ms. Radha Rani Nuwal
Spouse	Ms. Neelima Maheshwari
Children	Ms. Akshita Maheshwari, Mr. Anmol Maheshwari
Spouse's Father	Mr. H. S. Maheshwari
Spouse's Brother	Mr. Vishal Maheshwari
Spouse's Sister	Ms. Neetu Maheshwari

Relatives of Mr. Nawal Kishore Maheshwari

Relationship	
Father	Mr. Gulab Chand Maheshwari
Mother	Ms. Kailash Bai Maheshwari
Brother	Mr. Om Prakash Maheshwari, Mr. Pramod Maheshwari
Sister	Ms. Radha Rani Nuwal
Spouse	Ms. Rekha Maheshwari
Children	Mr. Parv Maheshwari
Spouse's Father	Mr. Anil Bhakkar
Spouse's Mother	Ms. Shrikanta Bhakkar
Spouse's Brother	Mr. Ram Bhakkar
Spouse's Sister	Ms. Ritu Bhakkar

Promoter Group Companies and entities

The companies, HUFs, partnership firms and other entities, other than the entities described in section titled “History and Certain Corporate Matters” at page 134, that form part of our Promoter Group are as follows:

Companies

S. No.	Name
1.	Swastika Polyolefins Private Limited
2.	Diamond Business Solutions Private Limited
3.	Wellwin Technosoft Private Limited

S. No.	Name
4.	Rubymerry Enterprises Private Limited
5.	Longway Business Solutions Private Limited
6.	Shricon Industries Limited
7.	Maheshwari Agrobases Private Limited
8.	Career Point Publications Private Limited
9.	Career Point Foundation

Partnership Firms

S. No.	Name
1.	Gulab Chand Ramesh Chand Traders
2.	Maheshwari Trading Company
3.	Shri Bithal Traders
4.	Maheshwari Brothers

HUF

S. No.	Name
1.	Gulab Chand Maheshwari HUF
2.	Om Prakash Maheshwari HUF
3.	Pramod Maheshwari HUF
4.	Nawal Kishore Maheshwari HUF

Trust/Society

S. No.	Name
1.	Gopi Bai Foundation Trust Kota (Raj.)
2.	Proseed Foundation
3.	Progressive Foundation
4.	Career Point Education Society
5.	Shakti Foundation
6.	Sankalp Foundation

Group Companies and entities

As specified in the SEBI Regulations, the companies, firms and other ventures, promoted by our Promoters, other than our Subsidiaries / Associate companies, which form part of our Group Companies and entities, are as follows:

Companies

S. No.	Name
1.	Shricon Industries Limited
2.	Career Point Publications Private Limited
3.	Swastika Polyolefins Private Limited
4.	Longway Business Solutions Private Limited
5.	Rubymerry Enterprises Private Limited
6.	Diamond Business Solutions Private Limited
7.	Wellwin Technosoft Private Limited
8.	Maheshwari Agrobases Private Limited
9.	Career Point Foundation

Ventures/Partnership Firms/HUFs

The ventures, firms etc., which form part of our Group Companies and entities are:

S. No.	Name
--------	------

S. No.	Name
1.	Shri Bithal Traders
2.	Maheshwari Brothers
3.	Gulab Chand Maheshwari HUF
4.	Om Prakash Maheshwari HUF
5.	Nawal Kishore Maheshwari HUF
6.	Pramod Maheshwari HUF
7.	Gopi Bai Foundation Trust Kota (Raj.)
8.	Proseed Foundation
9.	Progressive Foundation
10.	Shakti Foundation
11.	Sankalp Foundation

Group Companies and entities

The details of our listed Group Company and entities are as follows:

1. Shricon Industries Limited

Shricon Industries Limited was incorporated under the Companies Act on February 24, 1984 as Bharwaney Builders and Leasing Limited under the Companies Act. The name of the company was changed to Shricon Industries Limited on January 31, 1995. The registered office of the company is situated at 23/25 Dhun Building, Office No. 102, First Floor, Janmabhoomi Marg, Opp. Janmabhoomi Tower, Fort, Mumbai 400 023. The company is engaged in the business of civil work.

Shricon Industries Limited became our group company subsequent to the completion of an open offer made vide public announcement dated November 1, 2005, pursuant to and in compliance with SEBI Takeover Regulations, by Mr. Om Prakash Maheshwari, Mr. Nawal Kishore Maheshwari, Imperial Infin Private Limited and Wellwin Technosoft Private Limited.

Shareholding Pattern

The shareholding pattern of Shricon Industries Limited as on June 30, 2010 is as mentioned below:

Category Code	Category of shareholder	Number of shares	% of shareholding
(A)	Shareholding of Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals / Hindu Undivided Family	364,100	29.36
(b)	Bodies Corporate	357,280	28.81
	Sub Total (A)(1)	721,380	58.18
(2)	Foreign	-	-
	Sub Total (A)(2)	-	-
	Total shareholding of Promoter and Promoter Group (A)=(A)(1) + (A)(2)	721,380	58.18
(B)	Public Shareholding		
(1)	Institutions	-	-
	Sub Total (B)(1)	-	-
(2)	Non-Institutions		
(a)	Bodies Corporate	83,501	6.73

Category Code	Category of shareholder	Number of shares	% of shareholding
(b)	Individuals	435,119	35.09
	Sub Total (B)(2)	518,620	41.82
	Total Public shareholding (B)=(B)(1)+(B)(2)	518,620	41.82
	Total (A)+(B)	1,240,000	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-
	Total (A)+(B)+(C)	1,240,000	100.00

Board of directors

The board of directors of Shricon Industries Limited as on June 30, 2010 comprises of:

1. Mr. Om Prakash Maheshwari,
2. Mr. Nawal Kishore Maheshwari and
3. Ms. Neelima Maheshwari.

Financial Performance

The audited financial results of Shricon Industries Limited for the last three financial years are as follows:

<i>(Rs. in million, except per share data)</i>			
Particulars	Financial Year 2009	Financial Year 2008	Financial Year 2007
Sales and other income	1.27	2.29	2.61
Profit/ (Loss) after tax	0.25	1.30	1.81
Equity capital (par value Rs. 10 per share)	12.40	12.40	12.40
Reserves and Surplus (excluding revaluation reserves)	6.70	6.46	5.17
Earnings/ (Loss) per share (basic) (Rs.)	0.20	1.13	1.46
Earnings/ (Loss) per share (diluted) (Rs.)	0.20	1.13	1.46
Net Asset Value (Rs.)	15.41	15.21	14.17

Significant notes of auditors

There are no qualifications provided by the auditors.

Share price information

The equity shares of Shricon Industries Limited are listed only on BSE.

The monthly high and low of the market price, number of shares and net turnover of the equity shares of Shricon Industries Limited on BSE for the last six months is as follows:

Date	High (Rs.)	Low (Rs.)	No. of Shares	Net Turnover (in Rs.)
February 2010	70.00	70.00	25	1750.00
March 2010	66.55	54.20	7099	4,07,053
April 2010	60.00	56.00	6750	3,81,301

May 2010*	-	-	-	-
June 2010	62.85	57.05	41	2,483
July 2010	87.05	65.70	2,266	161,719

* Unable to provide data since no trading of equity shares of Shricon Industries Limited took place in May, 2010
(Source: www.bseindia.com)

The market capitalization of Shricon Industries Limited as on the closing price of Rs. 66.10 per equity share on the BSE on August 20, 2010 was Rs. 81.96 million.

Shricon Industries Limited does not fall under the definition of a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 and is not under winding up.

Shricon Industries Limited has not been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

Details of public issue/rights issue

Shricon Industries Limited has not made public or rights issue in the preceding three years.

Promise v/s Performance

Shricon Industries Limited made an initial public offering of equity shares having a face value of Rs. 10 each in August, 1984. The details of the same are not available with the company.

Mechanism for redressal of shareholder/ investor grievances:

The board of Shricon Industries Limited has delegated the power for redressal of shareholder/ investor complaint related to transfer of shares, non-receipt of balance sheet, etc to the compliance officer of the company and Registrar and Transfer Agents of the company. The compliance officer oversees performance of the Registrar and Transfer Agents, and recommends measures for overall improvement in the quality of investor services.

The company redresses the complaint/investor grievances within a period of seven days from the date of receipt of complaint. As of June 30, 2010 there were no investor complaints pending against the company.

The details of our four largest unlisted Group Companies and entities based on the turnover are as follows:

1. Rubymerry Enterprises Private Limited

Rubymerry Enterprises Private Limited was incorporated under the Companies Act on March 2, 2006 as a public limited company. It was converted into a private limited company on January 1, 2009. The registered office of the company is situated at 1-GHA-1, Dadabari Extension, Kota 324 009, Rajasthan, India. The object of this company is to carry on the business as processors, importers, exporters, packers, sellers, buyers, dealers, agents, stockists, wholesalers of all kinds of seeds, hybrids, seeds, grains, pulses and to deal in all kinds of buildings, colonies, commercial complexes and to carry on the business of electronic, mechanical, electrical, domestic and industrial goods..

Shareholding pattern

The shareholding pattern of the company as on July 31, 2010 is as mentioned below:

Sr. No	Name of the Shareholder	Number of shares	% of Shareholding
1	Mr. Om Prakash Maheshwari	25,000	50.00
2	Ms. Radha Rani Nuwal	20,000	40.00
3	Mr. Pramod Maheshwari	600	1.20
4	Mr. Nawal Kishore Maheshwari	600	1.20
5	Ms. Rekha Maheshwari	600	1.20
6	Ms. Shilpa Maheshwari	600	1.20
7	Nawal Kishore Maheshwari HUF	600	1.20
8	Pramod Maheshwari HUF	600	1.20
9	Ms. Neelima Maheshwari	200	0.40
10	Om Prakash Maheshwari HUF	200	0.40
11	Mr. Gulab Chand Maheshwari	100	0.20
12	Ms. Kailash Bai Maheshwari	100	0.20
13	Gulab Chand Maheshwari HUF	100	0.20
14	Longway Business Solutions Private Limited	100	0.20
15	Diamond Business Solutions Private Limited	100	0.20
16	Imperial Infin Private Limited	100	0.20
17	Swastika Polyolefins Private Limited	100	0.20
18	Wellwin Technosoft Private Limited	100	0.20
19	Mr. Durga Shankar Maheshwari	100	0.20
20	Shricon Industries Limited	100	0.20
	Total	50,000	100.00

Board of directors

The board of directors of the company as on July 31, 2010 comprises of:

1. Mr. Om Prakash Maheshwari,
2. Mr. Harendra Singh Solanki and
3. Ms. Radha Rani Nuwal.

Financial Performance

The audited financial results of the company for the last three financial years are as follows:

<i>(Rs. in million, except per share data)</i>			
Particulars	Financial Year 2009	Financial Year 2008	Financial Year 2007
Sales and other income	32.70	77.65	0.01
Profit/ (Loss) after tax	(0.65)	0.95	0.003
Equity capital (par value Rs. 10 per share)	0.50	0.50	0.50
Reserves and Surplus (excluding revaluation reserves)	0.30	0.95	0.003

Earnings/ (Loss) per share (basic) (Rs.)	-	19.02	0.07
Earnings/ (Loss) per share (diluted) (Rs.)	-	19.02	0.07
Net Asset Value (Rs.)	15.41	28.26	9.03

Significant notes of auditors

There are no qualifications provided by the auditors.

Rubymerry Enterprises Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of the SICA, it is not under winding up and does not have a negative net worth.

2. Swastika Polyolefins Private Limited

Swastika Polyolefins Private Limited was incorporated under the Companies Act on March 24, 1994. The registered office of the company is situated at 112B, Shakti Nagar, Kota - 324009, Rajasthan, India. The object of this company is to carry on the business as manufacturers of commercial, industrial and domestic plastic.

Shareholding pattern

The shareholding pattern of the company as on July 31, 2010 is as mentioned below:

Sr. No.	Name of shareholders	Number of shares	% of shareholding
1.	Mr. Om Prakash Maheshwari	40,000	23.65
2.	Mr. Vinod Kumar Bansal	20,000	11.83
3.	Mr. Sameer Bansal	18,000	10.64
4.	Ms. Richa Bansal	15,000	8.87
5.	Ms. Anguri Bansal	15,000	8.87
6.	Ms. Neelam Bansal	12,000	7.10
7.	Emerland Systems Engineering Limited	9,000	5.32
8.	Ms. Radha Rani Nuwal	8,000	4.73
9.	Fast Track Entertainment Limited	5,000	2.96
10.	Shree Datta Industries (India) Limited	4,000	2.37
11.	Komal Commercial Limited	4,000	2.37
12.	Mr. Himanshu Shukla	1,900	1.12
13.	Mr. Manoj Jain	1,900	1.12
14.	Mr. Manish Jhanwar	1,800	1.06
15.	Mr. Durga Shankar Maheshwari	1,800	1.06
16.	Ms. Kailash Devi	1,800	1.06
17.	Mr. Deepak Vijay	1,800	1.06
18.	Ms. Mamta Jhanwar	1,700	1.01

19.	Mr. Harshvardhan Singh	1,700	1.01
20.	Mr. Sandeep Sharma	1,600	0.95
21.	Mr. Pramod Maheshwari	1,600	0.95
22.	Mr. Hemant Gautam	1,500	0.89
	Total	169,100	100.00

Board of directors

The board of directors of the company as on July 31, 2010 comprises of:

1. Mr. Om Prakash Maheshwari,
2. Mr. Anil Nyati and
3. Mr. Nawal Kishore Maheshwari.

Financial Performance

The audited financial results of the company for the last three financial years are as follows:

<i>(Rs. in million, except per share data)</i>			
Particulars	Financial Year 2009	Financial Year 2008	Financial Year 2007
Sales and other income	17.06	42.27	0.02
Profit (Loss) after tax	(0.33)	(0.60)	(0.001)
Equity capital (par value Rs. 10 per share)	1.69	1.69	1.69
Reserves and Surplus (excluding revaluation reserves)	9.18	9.18	9.18
Earnings/ (Loss) per share (basic) (Rs.)	-	-	-
Earnings/ (Loss) per share (diluted) (Rs.)	-	-	-
Net Asset Value (Rs.)	57.52	59.45	62.94

Significant notes of auditors

There are no qualifications provided by the auditors.

Swastika Polyolefins Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of the SICA, it is not under winding up and does not have a negative net worth.

3. Diamond Business Solutions Private Limited

Diamond Business Solutions Private Limited was incorporated under the Companies Act on July 19, 2005 as a public limited company. It was converted into a private limited company on October 21, 2008. The registered office of the company is situated at 1-GHA-1, Dadabari Extension, Kota – 324009, Rajasthan, India. The object of this company is to engage in the business of investment in commercial plots.

Shareholding pattern

The shareholding pattern of the company as on July 31, 2010 is as mentioned below:

Sr. No	Name of the Shareholder	Number of shares	% of Shareholding
1.	Classic Comptech Private Limited	200,000	21.51

Sr. No	Name of the Shareholder	Number of shares	% of Shareholding
2.	Longway Business Solutions Private Limited	190,000	20.43
3.	Mr. Om Prakash Maheshwari	100,000	10.75
4.	Mr. Pramod Maheshwari	100,000	10.75
5.	Mr. Nawal Kishore Maheshwari	100,000	10.75
6.	Jackson Investments Limited	100,000	10.75
7.	Prathama Trading Limited	100,000	10.75
8.	Ms. Radha Rani Nuwal	10,000	1.08
9.	Mr. Kuldeep Mathur	10,000	1.08
10.	Mr. Pradeep Jain	5,000	0.54
11.	Mr. Vijay Pareta	5,000	0.54
12.	Mr. Himanshu Shukla	5,000	0.54
13.	Mr. Yogendra Jain	5,000	0.54
	Total	930,000	100.00

Board of directors

The board of directors of the company as on July 31, 2010 comprises of:

1. Mr. Om Prakash Maheshwari,
2. Ms. Radha Rani Nuwal and
3. Mr. Pradeep Jain.

Financial Performance

The audited financial results of the company for the last three financial years are as follows:

<i>(Rs. in million, except per share data)</i>			
Particulars	Financial Year 2009	Financial Year 2008	Financial Year 2007
Sales and other income	1.23	0.77	0.52
Profit/ (Loss) after tax	0.90	0.32	0.26
Equity capital (par value Rs. 10 per share)	9.30	9.30	9.30
Reserves and Surplus (excluding revaluation reserves)	1.52	0.62	0.31
Earnings/ (Loss) per share (basic) (Rs.)	0.97	0.34	0.28
Earnings/ (Loss) per share (diluted) (Rs.)	0.97	0.34	0.28
Net Asset Value (Rs.)	11.60	10.59	10.21

Significant notes of auditors

There are no qualifications provided by the auditors.

Diamond Business Solutions Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of the SICA, it is not under winding up and does not have a negative net worth.

4. Longway Business Solutions Private Limited

Longway Business Solutions Private Limited was incorporated under the Companies Act on May 4, 2005 as a public limited company. It was converted into a private limited company on January 2, 2009. The registered office of the company is situated at 112B, Shakti Nagar, Kota - 324009, Rajasthan, India. The object of this company is to deal in immoveable properties such as land and buildings, to carry on the business of trading in agricultural products and in all kinds of derivatives of all the above commodities and securities.

Shareholding pattern

The shareholding pattern of the company as on July 31, 2010 is as mentioned below:

Sr. No	Name of the Shareholder	No. of shares	% of Shareholding
1.	Global Capital Market Limited	200,000	24.51
2.	Mr. Om Prakash Maheshwari	100,000	12.25
3.	Mr. Pramod Maheshwari	100,000	12.25
4.	Mr. Nawal Kishore Maheshwari	100,000	12.25
5.	Emerald Commercial Limited	100,000	12.25
6.	Biswarup Trading (P) Limited	100,000	12.25
7.	Wellwin Technosoft Private Limited	100,000	12.25
8.	Imperial Infin Private Limited	10,000	1.23
9.	Ms. Kailash Devi	1,000	0.12
10.	Mr. Inder Prakash Jain	1,000	0.12
11.	Mr. Shyam Maheshwari	1,000	0.12
12.	Mr. Suresh Chandra Jain	1,000	0.12
13.	Mr. Kuldeep Mathur	1,000	0.12
14.	Mr. Himanshu Shukla	1,000	0.12
	Total	816,000	100.00

Board of directors

The board of directors of Longway Business Solutions Limited as on July 31, 2010 comprises of:

1. Mr. Om Prakash Maheshwari,
2. Mr. Inder Prakash Jain and
3. Ms. Kailash Devi.

Financial performance

The audited financial results of the company for the last three financial years are as follows:

(Rs in million, except per share data)

Particulars	Financial Year 2009	Financial Year 2008	Financial Year 2007
Sales and other income	0.15	0.23	0.06
Profit/ (Loss) after tax	(0.24)	0.14	0.14
Equity capital (par value Rs. 10 per share)	8.16	8.16	8.16
Reserves and Surplus (excluding revaluation reserves)	0.04	0.28	0.14

Earnings/ (Loss) per share (basic) (Rs.)	(0.30)	0.17	0.02
Earnings/ (Loss) per share (diluted) (Rs.)	-	0.17	0.02
Net Asset Value (Rs.)	10.00	10.26	10.05

Significant notes of auditors

There are no qualifications provided by the auditors.

Longway Business Solutions Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding up and does not have a negative net worth.

The details of our other Group Companies and entities are as provided below:

1. Career Point Publications Private Limited

Career Point Publications Private Limited was incorporated under the Companies Act on November 10, 2006 as a public limited company. It was converted into a private limited company on January 1, 2009. The registered office of the company is situated at 112B, Shakti Nagar, Kota - 324009, Rajasthan, India. The object of this company is to engage in the business of printers, publishers, stationers, lithographers, type foundry, stereotypes, electrotypers, photographic printers, photo-lithographers, printing and publishing of books of all types.

Shareholding pattern

The shareholding pattern of the company as on July 31, 2010 is as mentioned below:

Sr. No	Name of the Shareholder	Number of shares	% of shareholding
1.	Mr. Nawal Kishore Maheshwari	16,333	32.666
2.	Mr. Om Prakash Maheshwari	16,332	32.664
3.	Mr. Pramod Maheshwari	16,332	32.664
4.	Mr. Gulab Chand Maheshwari	1,000	2.000
5.	Ms. Neelima Maheshwari	1	0.002
6.	Ms. Shilpa Maheshwari	1	0.002
7.	Ms. Rekha Maheshwari	1	0.002
	Total	50,000	100.000

Board of directors

The board of directors of Career Point Publications Private Limited as on July 31, 2010 comprises of:

1. Mr. Om Prakash Maheshwari,
2. Mr. Pramod Maheshwari and
3. Mr. Nawal Kishore Maheshwari.

Career Point Publications Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding up and does not have a negative net worth.

2. Wellwin Technosoft Private Limited

Wellwin Technosoft Private Limited was incorporated under the Companies Act on July 8, 1999 under the name of “Scholars Career Point Private Limited”. The registered office of the company is situated at 112B, Shakti Nagar, Kota – 324009, Rajasthan, India. The name of the company was changed to Wellwin Technosoft Private Limited on February 16, 2005 and subsequently it became a public limited company with the name of “Wellwin Technosoft Limited” on March 4, 2005. On January 1, 2009, the company received fresh certificate of incorporation upon conversion into a private limited company.

The object of this company is to engage in the business of providing internet services, e-commerce facility, telecommunication services, lease lines and lease links and related activities, host websites and web pages, ERP applications, accounts, create networking, development and manufacturing of computer hardware, software development, cybercafé development, internet, development and related activities and to impart general, engineering and computer education.

Shareholding pattern

The shareholding pattern of the company as on July 31, 2010 is as mentioned below:

Sr. No	Name of the Shareholder	Number of shares	% of Shareholding
1	Mr. Pramod Maheshwari	50,400	16.09
2	Mr. Om Prakash Maheshwari	50,400	16.09
3	Mr. Nawal Kishore Maheshwari	50,400	16.09
4	Manasi Securities & Commercials Limited	30,000	9.58
5	Drashti Industries Limited	27,000	8.62
6	Emerald Systems Engineering Limited	25,000	7.98
7	Gujrat Chemi Plasto Limited	15,000	4.79
8	Larite Industries Limited	15,000	4.79
9	Komal Commercial Limited	15,000	4.79
10	Shree Datta Industries Limited	15,000	4.79
11	Shanta Marketing Limited	10,000	3.19
12	Dhawani Marketing Limited	10,000	3.19
	Total	313,200	100.00

Board of directors

The board of directors of Wellwin Technosoft Private Limited as on July 31, 2010 comprises of:

1. Mr. Om Prakash Maheshwari,
2. Mr. Pramod Maheshwari and
3. Mr. Nawal Kishore Maheshwari.

Wellwin Technosoft Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding up and does not have a negative net worth.

3. Maheshwari Agrobases Private Limited

Maheshwari Agrobases Private Limited was incorporated under the Companies Act on December 20, 2007. The registered office of the company is situated at 112-A, Shakti Nagar, Kota – 324 009, Rajasthan, India. The object of this company is to engage in the business of warehousing and cold storage.

Shareholding pattern

The shareholding pattern of the company as on July 31, 2010 is as mentioned below:

Sr. No	Name of the Shareholder	No. of shares	% of Shareholding
1	Mr. Om Prakash Maheshwari	34,000	34.00
2	Mr. Nawal Kishore Maheshwari	33,000	33.00
3	Ms. Radha Rani Nuwal	33,000	33.00
	Total	100,000	100.00

Board of directors

The board of directors of Maheshwari Agrobases Private Limited as on July 31, 2010 comprises of:

1. Mr. Om Prakash Maheshwari and
2. Mr. Nawal Kishore Maheshwari.

Maheshwari Agrobases Private Limited is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding up and does not have a negative net worth.

4. Career Point Foundation

Career Point Foundation was incorporated under section 25 of the Companies Act on July 26, 2010. The registered office of the company is situated at 112-A, Shakti Nagar, Kota – 324 009, Rajasthan, India. The object of this company is to provide and promote education by opening, running, establishing, developing, maintaining and running schools, colleges, technical training institutions, scientific laboratories, research centers, libraries, reading rooms, coaching for competitive examination for higher studies solely for education purpose including moral education for the benefit and use of general public.

Further, the objects of the company allows it to, establish and develop institutions for the physically handicapped and disabled or mentally retarded persons and provide them education, food, clothing or other help, and establish, develop, maintain and grant aid in cash or in kind to hospitals, medical schools, medical colleges, nursing institutions, dispensaries, maternity homes, child welfare centers, and/or such other similar charitable institutions in India for the benefit and use of the general public, provide medical aid to the needy patients, to establish a hospital for a charitable purpose and children welfare centre, to give donation to such type of institutions etc.

Shareholding pattern

The shareholding pattern of the company as on July 31, 2010 is as mentioned below:

Sr. No	Name of the Shareholder	No. of shares	% of Shareholding
1	Mr. Pramod Maheshwari	33,34	33.34
2	Mr. Om Prakash Maheshwari	33,33	33.33
3	Mr. Nawal Kishore Maheshwari	33,33	33.33

	Total	10,000	100.00
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Board of directors

The board of directors of Career Point Foundation as on July 31, 2010 comprises of:

3. Mr. Pramod Maheshwari,
4. Mr. Om Prakash Maheshwari and
5. Mr. Nawal Kishore Maheshwari.

Career Point Foundation is an unlisted company and has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding up and does not have a negative net worth.

Other Group Companies and entities: Partnership Firms/HUF/Trusts

The details of our other Group Companies and entities which are in the nature of partnership firms, HUF and trusts are as provided below:

1. Shri Bithal Traders

Shri Bithal Traders is a partnership firm formed on June 16, 1991. Its office is situated at, B-41, Bhamashah Mandi, Kota 324 009. Shri Bithal Traders is engaged in the business of grain merchant and commission agent.

Profit and loss sharing ratios

The ratio for sharing of profits and losses as on July 31, 2010 is as provided below:

Sr. No.	Name of Partner	(%) Share
1	Mr. Pramod Kumar Gupta	50.00
2	Mr. Nawal Kishore Maheshwari	50.00
	Total	100.00

2. Maheshwari Brothers

Maheshwari Brothers is a partnership firm formed on June 30, 2008 and is registered with the office of the Registrar of Firms, Kota having the registration no. as 19/85/2008. Its office is situated at, 112A, Shakti Nagar, Kota – 324 009. The firm is involved in trading of shares, marketable securities and commodities.

Profit and loss sharing ratios

The ratio for sharing of profits and losses as on July 31, 2010 is as provided below:

Sr. No.	Name of Partner	(%) Share
1	Mr. Om Prakash Maheshwari	33.33
2	Mr. Pramod Maheshwari	33.33
3	Mr. Nawal Kishore Maheshwari	33.33
	Total	100.00

3. Gulab Chand Maheshwari HUF

Gulab Chand Maheshwari HUF was formed on September 12, 1968 and is represented by its karta, Mr. Gulab Chand Maheshwari.

Other Members of the HUF

- (1) Ms. Kailash Bai Maheshwari;
- (2) Mr. Om Prakash Maheshwari;
- (3) Mr. Pramod Maheshwari and
- (4) Mr. Nawal Kishore Maheshwari

4. Om Prakash Maheshwari HUF

Om Prakash Maheshwari HUF was formed on February 18, 1995 and is represented by its karta, Mr. Om Prakash Maheshwari.

Other Members of the HUF

- (1) Ms. Neelima Maheshwari;
- (2) Ms. Akshita Maheshwari; and
- (3) Mr. Anmol Maheshwari.

5. Pramod Maheshwari HUF

Pramod Maheshwari HUF was formed on January 25, 2003 and is represented by its karta, Mr. Pramod Maheshwari.

Other Members of the HUF

- (1) Ms. Shilpa Maheshwari;
- (2) Ms. Priyal Maheshwari; and
- (3) Ms. Pihul Maheshwari.

6. Nawal Kishore Maheshwari HUF

Nawal Kishore Maheshwari HUF was formed on December 24, 2002 and is represented by its karta, Mr. Nawal Kishore Maheshwari.

Other Members of the HUF

- (1) Ms. Rekha Maheshwari; and
- (2) Mr. Parv Maheshwari.

7. Gopi Bai Foundation Trust Kota (Raj.)

Gopi Bai Foundation Trust Kota (Raj.) was settled by means of trust deed dated October 01, 1998. The trust runs a school named “Global Public School” in Kota and its income is mainly on account of fees received by the school.

Board of trustees

The trustees of the trust are Mr. Gulab Chand Maheshwari (settlor), Mr. Om Prakash Maheshwari, Mr. Pramod Maheshwari and Mr. Nawal Kishore Maheshwari.

8. Proseed Foundation

Proceed Foundation was settled by means of trust deed dated September 1, 2009. The trust has been set up to establish, develop, maintain and run schools, colleges, universities, technical training institutions, etc solely for education purposes.

Board of trustees

The trustees of the trust are Mr. Gulab Chand Maheshwari (settlor), Mr. Om Prakash Maheshwari, Mr. Pramod Maheshwari and Mr. Nawal Kishore Maheshwari.

9. Progressive Foundation

Progressive Foundation was settled by means of trust deed dated October 29, 2009. The trust has been set up to establish, develop, maintain and run schools, colleges, universities, technical training institutions, etc solely for education purposes.

Board of trustees

The trustees of the trust are Mr. Gulab Chand Maheshwari (settlor), Mr. Om Prakash Maheshwari, Mr. Pramod Maheshwari and Mr. Nawal Kishore Maheshwari.

10. Shakti Foundation

Shakti Foundation was settled by means of a trust deed dated December 16, 2009. The trust has been set up to establish, develop, maintain and run schools, colleges, universities, technical training institutions and any other type of educational institution. The trust has been set up solely for educational purposes.

Board of trustees

The trustees of the trust are Mr. Gulab Chand Maheshwari (settlor), Mr. Om Prakash Maheshwari, Mr. Pramod Maheshwari and Mr. Nawal Kishore Maheshwari.

11. Sankalp Foundation

Sankalp Foundation was settled by means of a trust deed dated April 10, 2010. The trust has been set up to establish, develop, maintain and run schools, colleges, universities, technical training institutions and any other type of educational institution. The trust has been set up solely for educational purposes.

Board of trustees

The trustees of the trust are Mr. Gulab Chand Maheshwari (settlor), Mr. Om Prakash Maheshwari, Mr. Pramod Maheshwari, Mr. Nawal Kishore Maheshwari, Mr. Ram Gopal agarwal, Mr. Vishnu Kumar Gupta and Mr. Murari Lal Agarwal.

Companies from which our Promoters have been disassociated

Our Promoters have not disassociated themselves from any of the companies or firms during the three years preceding the date of the filing of the Draft Red Herring Prospectus.

Conflict of Interest

Our Group Company and entity, Wellwin Technosoft Private Limited, has objects similar to those of our Company. However, presently Wellwin Technosoft Private Limited is not carrying on any business activity which is similar to our business. However, in the event it decides to pursue the objects as stated in its memorandum of association, it may have an adverse effect on the business interest of our Company. To this extent, we may have a potential conflict of interest between the said Group Company and entity and our Company.

Related Party Transactions

For details of the related party transactions, see section titled “*Financial Statements - Related Party Transactions*” at F - 33.

Business Interests

None of our Group Companies and entities / Subsidiaries / associate companies have business interests in our Company.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our Company's shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. All dividend payments are made in cash to the shareholders.

The dividends declared by our company in respect of the five Financial Years ended March 31, 2010, 2009, 2008, 2007 and 2006 as per the audited financial statements of our Company are as given below:

Particulars	Financial Performance (For the year ending March 31)				
	2010	2009	2008	2007	2006
Face value per Equity Share (Rs.)	10	10	10	10	10
Equity Share capital (Rs. in million)	144.20	120.67	120.67	50.71	11.40
Rate of dividend (%)	Nil	Nil	Nil	15	15

The amount paid as dividend in the past is not necessarily indicative of the dividend policy or dividend amount, if any, in the future.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No.	Particulars	Page
1	Auditor's Report dated August 23, 2010 on the Restated Standalone Financials of our Company	F - 1
2	Auditor's Report dated August 23, 2010 on the Restated Consolidated Financials of our Company	F - 40

AUDITOR'S REPORT

(as required by Part II of Schedule II to the Companies Act, 1956)

To,
The Board of Directors,
Career Point Infosystems Limited,
112-B, Shakti Nagar,
Kota – 324 009,
Rajasthan, India.

Dear Sirs,

1. We have examined the attached financial information of Career Point Infosystems Limited ('the Company'), as approved by the Board of Directors of the Company. This Financial information has been prepared in terms of the requirements of:
 - a. Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act') and
 - b. the Securities and Exchange Board of India ('SEBI')-(Issue of Capital and Disclosure Requirements) Regulations, 2009 (the SEBI ICDR Regulations), the related clarifications issued by the Securities and Exchange Board of India ('SEBI') as amended to date and pursuant to Section 11 of the Securities and Exchange Board of India Act, 1992 (the 'SEBI Act').

We have examined such financial information taking into consideration:

- a. the terms of our engagement letter dated November 25, 2009, in connection with the offer document being issued by the Company for its proposed Initial Public Offering ('IPO') of equity shares and
- b. The Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.

2 Financial Information as per Audited Financial Statements

We have examined the 'Standalone Statement of Assets and Liabilities, as restated' of Career Point Infosystems Limited as at March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 (Annexure I), the related 'Standalone Statement of Profit and losses, as restated (Annexure II) and restated 'Standalone Statement of Cash Flows' (Annexure III) of Career Point Infosystems Limited for the financial years ended March 31, 2010 March 31, 2009, year ended March 31, 2008, year ended March 31, 2007, year ended March 31, 2006 together referred to herein as 'Standalone Restated Statements'. These Standalone Restated Statements have been extracted by the management from the financial statements of Career Point Infosystems Limited as at and for the financial years ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and have been approved by the Board of Directors for those respective periods.

The standalone financial statements as at and for financial years ended March 31, 2010, March 31, 2009 and March 31, 2008, were audited by us. The standalone financial statements as at and for the year ended March 31, 2007, year ended March 31, 2006 were audited by P. Khandelwal & Co, Chartered Accountants.

- 3 Based on our examination of the Standalone Restated Statements, we state that:
- i. The changes due to adoption of Accounting Standards which require adjustments to arrive at the Standalone Restated Statements are given in Annexure IV and Statement of Tax savings/expenses due to restatement in annexure IVA.
 - ii. The Standalone Restated Statements have to be read in conjunction with the ‘Significant Accounting Policies’ given in Annexure V and ‘Notes to the Standalone Restated Statements’ given in ‘Annexure VA’ to this report.
 - iii. The restated profits/losses have been arrived at after making such adjustments and regroupings as in our opinion are appropriate in the year/period to which they relate;
 - iv. There are no extraordinary items that need to be disclosed separately in the Standalone Restated Statements.
 - v. There are no qualifications in the auditors’ report on the financial statements that require adjustments to the Standalone Restated Statements.

4 **Other Financial Information**

We have also examined the following financial information relating to the Company and as approved by the Board of Directors and annexed to this report:

- a. Significant Accounting Policies as adopted by the Company and Notes to the Standalone Restated Statements (Annexure V & VA) as at March 31, 2010;
- b. Details of Secured and Unsecured Loans as at March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006. (Annexure VI and VI A)
- c. Details of Loans and Advances as at March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006. (Annexure VII)
- d. Details of Sundry Debtors as at March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006. (Annexure VIII)
- e. Details of Investments as at March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006. (Annexure IX)
- f. Details of Operational Income and Other Income for the financial years ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006. (Annexure X and XA).
- g. Details of Share Capital and Reserves and Surplus as at March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006. (Annexure XI and XIA)
- h. Details of Cash & Bank Balances as at March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006. (Annexure XII)
- i. Details of Current Liabilities and Provisions as at March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006. (Annexure XIII)

- j. Details of Contingent Liabilities as at March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006. (Annexure XIV)
 - k. Summary of Accounting Ratios relating to earnings per share, return on net worth and net asset value (Annexure XV)
 - l. Details of Tax Shelter for the financial years ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006. (Annexure XVI)
 - m. Capitalisation Statement as at March 31, 2010 (Annexure XVII)
 - n. Details of Related Party Transactions for the financial years ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006. (Annexure XVIII)
 - o. Details of Dividend paid for the financial years ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006. (Annexure XIX)
- 5 Based on our examination of the financial information of the Company attached to this report, we state that in our opinion, the 'Standalone Restated Statement' and 'Other Financial Information' mentioned above, as at March 31, 2010, year ended March 31, 2009, year ended March 31, 2008, year ended March 31, 2007 and year ended March 31, 2006 have been prepared in accordance with paragraph B (1) of Part II of Schedule II of the Act the SEBI ICDR Regulations and the SEBI Act.
- 6 This report should not, in any way, be construed as reissuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statement referred to herein.
- 7 This report is intended solely for use of the management and for inclusion in the Offer Documents, in connection with the proposed initial public offering of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

SHARP & TANNAN
Chartered Accountants
ICAI Registration No: 000452N
by the hand of

New Delhi
23rd August, 2010

Pavan K. Aggarwal
Partner
Membership No. 91466

Annexure I – Restated Standalone Statement of Assets and Liabilities
(Amount in Rs. Million)

PARTICULARS	As at				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
A. Fixed Assets					
Gross Block	116.50	79.71	35.59	20.56	8.72
Less: Depreciation	12.35	7.04	3.38	1.74	0.70
Net Block	104.15	72.67	32.21	18.82	8.02
Intangible Assets(Net)	*176.85	73.44	36.14	37.52	33.36
Add: Capital WIP	66.88	69.66	56.76	20.58	-
Total Fixed Assets (A)	347.88	215.77	125.11	76.92	41.38
B. Investments :					
- in subsidiaries	39.90	35.00	35.50	1.00	-
- in others	376.72	19.77	13.85	29.21	3.90
Total (B)	416.62	54.77	49.35	30.21	3.90
C. Current Assets, Loans and Advances :					
Inventories	17.43	18.49	9.56	3.53	0.76
Sundry Debtors	4.66	23.46	18.00	5.64	5.78
Cash and Bank Balances	226.16	132.80	169.49	119.48	20.12
Loans and Advances	454.80	293.78	137.81	92.29	30.88
Total (C)	703.05	468.53	334.86	220.94	57.54
D. Liabilities and Provisions :					
Secured Loans	1.13	52.19	-	-	-
Unsecured Loans	-	-	-	29.27	5.46
Deferred Tax Liability	1.87	2.36	1.15	0.92	0.62
Current Liabilities	100.07	95.59	81.74	64.95	45.99
Provisions	3.62	2.33	1.81	9.52	1.95
Total (D)	106.69	152.47	84.70	104.66	54.02
E. Miscellaneous Expenditure	14.83	2.53	2.12	1.20	0.05
(to the extent not w/off)					
F. Net Worth (A+B+C-D) :	1,360.86	586.60	424.62	223.41	48.80
G. Represented by					
Share Capital	144.20	120.67	120.67	50.71	11.40
Share Application Money	-	-	-	5.19	-
Reserves and Surplus	1231.49	468.46	306.07	168.71	37.45
Total (G)	1,375.69	589.13	426.74	224.61	48.85
H. Net Worth (G-E)	1,360.86	586.60	424.62	223.41	48.80

The above Statements should be read with the Significant Accounting Policies and Notes to the Standalone Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively.

*Intangible Assets includes Leasehold land of Rs 176.84 million and Trademarks of Rs 0.01 million.

Annexure II – Restated Standalone Statement of Profit and Loss Account
(Amount in Rs. Million)

	For the Year ended				
Particulars	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Income :					
Education and training income	590.71	397.72	320.15	225.76	3.26
Centre Royalty	21.21	42.02	49.13	51.32	38.02
Sale of study material	4.63	11.77	10.95	13.66	13.04
Other Income	61.46	38.85	31.43	8.97	2.62
Total Income	678.01	490.36	411.66	299.71	56.94
Expenditure:					
Administrative expenses	146.97	99.20	78.55	50.31	13.21
Manpower	208.20	118.95	72.05	45.97	8.14
Cost of Study Material Consumed	21.84	17.90	23.76	21.26	13.14
Deferred Revenue Expenditure	0.33	0.29	0.37	0.22	0.04
Total expenditure	377.34	236.34	174.73	117.76	34.53
Earnings before interest, depreciation & tax	300.67	254.02	236.93	181.95	22.41
Interest and finance charges	0.33	1.83	0.47	0.02	-
Depreciation & amortization	6.55	4.19	2.01	1.33	0.47
Earnings before tax and extra ordinary items	293.79	248.00	234.45	180.60	21.94
Provision for taxation					
- Current tax	95.58	83.70	79.17	60.00	6.90
- Taxation adjustments of earlier years		-	-	-	-
- Deferred tax	(0.48)	1.21	0.23	0.30	0.31
- Fringe benefit Tax	-	0.68	0.52	0.20	-
Profit before extra ordinary items	198.69	162.41	154.53	120.10	14.73
Extra ordinary items	-	-	-	-	-
Adjustment on account of prior period Items	-	-	-	-	-
Adjusted net profit	198.69	162.41	154.53	120.10	14.73
Balance brought forward from previous year	353.81	191.39	36.86	10.66	7.88
Dividend on shares	-	-	-	7.61	1.71
Tax on dividend	-	-	-	1.29	0.24
Transfer to general reserve	-	-	-	85.00	10.00
Balance carried to balance sheet	552.50	353.81	191.39	36.86	10.66

The above Statements should be read with the Significant Accounting Policies and Notes to the Standalone Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively.

Annexure III – Restated Standalone Cash Flow Statement
(Amount in Rs. Million)

Particulars	Year Ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Cash Flows from Operating Activities					
Net Profit Before Taxation after prior period items	293.79	248.00	234.45	180.60	21.94
Adjustments for:					
Add:					
Depreciation	6.55	4.19	2.01	1.33	0.47
Share Issue Expenses Written Off	0.33	0.29	0.35	0.22	0.04
Interest Expenses	0.33	1.83	0.47	0.02	-
Security Written Off	-	-	-	-	0.02
Bad Debts Written Off	8.38	-	-	0.04	-
Provision for gratuity	1.83	0.29	0.72	-	-
Provision for Doubtful Advances	1.75	-	-	-	-
Provision for Doubtful Debts	4.24	-	-	-	-
Add / (Less):					
Dividend Income	(18.58)	(2.29)	(2.86)	(1.06)	(0.13)
(Profit) / Loss on sale of shares / Investments	(3.17)	0.37	(2.56)	(0.54)	(0.82)
Interest Income	(36.98)	(29.83)	(22.74)	(7.22)	(1.67)
(Profit) / Loss on sale of fixed assets	-	(1.97)	(2.78)	0.44	-
Security Forfeiture	(1.67)	-	-	-	-
Operating Profit before Working Capital Changes	256.80	220.88	207.06	173.83	19.85
(Increase)/Decrease in Trade and Other Receivables	4.43	(5.48)	(12.38)	0.10	(4.49)
(Increase)/Decrease in Inventories	1.06	(8.93)	(6.03)	(2.77)	(0.76)
(Increase)/Decrease in Other Current Assets	(156.56)	(150.40)	(38.25)	(61.92)	(9.40)
Increase/(Decrease) in Provisions	1.30	(0.46)	(0.04)	-	(7.22)
Increase/(Decrease) in Current Liabilities	4.33	13.85	16.79	18.95	19.73
(Increase) in miscellaneous Expenditure	(12.64)	-	-	-	-
Income- taxes paid	(100.05)	(89.26)	(86.44)	(59.50)	(10.14)
Net Cash Flow from Operating Activities	(1.33)	(19.80)	80.71	68.69	7.57
Cash Flow from Investing Activities					
Purchase of Fixed Assets (including CWIP)	(138.66)	(98.94)	(51.87)	(37.32)	(15.75)
Investment in Subsidiaries	(1.50)	-	(34.50)	(1.00)	-
Sale of Investment in Subsidiary	-	0.50	-	-	-

Particulars	Year Ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Sale/(Purchase) of Other Investments	(357.17)	(6.30)	17.92	(24.76)	2.39
Interest Received	36.97	29.83	22.74	7.22	1.67
Sale of Fixed Assets	-	6.08	4.45	-	-
Dividend Received	18.58	2.29	2.86	1.06	0.13
Net Cash Flow from Investing Activities	(441.78)	(66.54)	(38.40)	(54.80)	(11.56)
Cash Flows from Financing Activities					
Proceeds from Issue of Share Capital (including Premium)	600.00	-	52.80	59.81	-
Proceeds from Short Term Borrowings	-	52.19	-	23.81	5.46
Proceeds from Share Application Money Received	-	-	-	5.19	-
Repayment of Share Application Monies Received	-	-	(5.19)	-	-
Repayment of Short Term Borrowings	(51.06)	-	(29.27)	-	-
Interest on Loan	(0.33)	(1.83)	(0.47)	(0.02)	-
Share Issue Expenses Incurred	(12.14)	(0.71)	(1.27)	(1.37)	-
Dividend Paid	-	-	(7.61)	(1.71)	(0.56)
Corporate Dividend Tax Paid	-	-	(1.29)	(0.24)	(0.08)
Net Cash Flow from Financing Activities	536.47	49.65	7.70	85.47	4.82
Net increase in cash and cash equivalents	93.36	(36.69)	50.01	99.36	0.83
Cash and Cash Equivalents (Opening Balance)	132.80	169.49	119.48	20.12	19.29
Cash and Cash Equivalents (Closing Balance)	226.16	132.80	169.49	119.48	20.12
Net increase in cash and cash equivalents	93.36	(36.69)	50.01	99.36	0.83

Annexure: IV Statement on Adjustments to Audited Financial Statements

(Amount in Rs. Millions)

Particulars	Year Ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
<i>Profit/(loss) after Tax as per audited statement of accounts</i>	198.69	160.99	158.03	117.81	14.90
<u>Add/ (Less):</u> <u>Impact on Changes in accounting policies :</u>					
Amortization on lease hold land	NIL	NIL	0.49	(0.29)	(0.17)
<u>Add/ (Less):</u> <u>Impact on material adjustment and prior period item :</u>					
1.Royalty income	NIL	(1.97)	(0.61)	2.58	NIL
2.Security Transaction Tax	NIL	NIL	0.00	0.00	NIL
3.Advertisement & Labour Expense	NIL	3.38	(3.38)	NIL	NIL
<i>Restated Profit/(Loss) after Tax</i>	<i>198.69</i>	<i>162.41</i>	<i>154.53</i>	<i>120.10</i>	<i>14.73</i>

Explanatory Notes for these adjustments are discussed below:

- a. During the year ended on March 31, 2008, lands purchased on leasehold basis have been regrouped as “Land-Leasehold” under intangible assets in terms of the provisions of Accounting Standard 26 on Intangible Assets effective from April 1, 2003. The entire amortisation charges of Rs. 0.49 million for the period from the year 2003-04 to 2006-07 has been charged in the audited accounts for the year ended on March 31, 2008. But in the restated accounts the same has been split up/adjusted in the respective years to which they are related.
- b. Prior Period Adjustment – Prior period adjustment as disclosed in the profit and loss account have now been restated and charged to the respective years to which they are related as under :-
 - i) Royalty income amounting to Rs 2.58 million pertaining to financial year 2006-07 and security transaction tax of Rs. 1,436 also pertaining to financial year 2006-07.
 - ii) Royalty income amounting to Rs. 1.97 million pertaining to financial year 2007-08 and Advertisement and labour expenses amounting to Rs. 3.38 million pertaining to financial year 2007-08.
 - iii) Royalty income amounting to Rs. 1.79 million pertaining to half year ended September 30, 2008 and Advertisement and labour expenses amounting to Rs.3.38 million pertaining to the same period.

Annexure IVA – Statement of Tax Savings / Expenses due to Restatement

(Amount in Rs. Millions)

Particulars		Year Ended				
		31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Profit /(loss) after Tax as per audited statement of accounts	<i>(A)</i>	198.69	160.99	158.03	117.81	14.90
Restated Profit/(Loss) after Tax	<i>(B)</i>	198.69	162.41	154.03	120.39	14.90
(Increase) / Decrease in Profit (<i>C = A-B</i>)	<i>(C)</i>	-	(1.42)	4.00	(2.58)	-
Effective Tax Rate	<i>(D)</i>	33.99%	33.99%	33.99%	33.66%	33.66%
<i>Net Tax Savings / (Expenses) due to Restatement (E = C * D)</i>	<i>(E)</i>	-	<i>(0.48)</i>	<i>1.36</i>	<i>(0.87)</i>	-

Annexure – V

Significant Accounting Policies (Standalone)

1. Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles (GAAP) and in compliance with the Accounting Standards notified under section 211(3C) and other requirements of the Companies Act, 1956.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as at the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/ advances, future obligations in respect of retirement benefit plans etc. Actual results could differ from these estimates.

2. Revenue Recognition

Revenue is recognized only when it can be reasonably measured and there exists reasonable certainty of its recovery. Fees/income collected in advance for the period subsequent to the accounting period is shown as current liability.

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognized when the right to receive dividend is established.

3. Employee Benefits

a. Defined Contribution plan

Company's contributions paid/ payable during the year to provident fund and employee pension scheme are recognized in the Profit and Loss Account

b. Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment (does not provide encashment and carry forward) , are determined using the projected unit credit method which considers each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognised immediately in the statement of Profit and Loss Account as income or expenses. Obligation measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on government bonds where the currency and terms of the Government are consistent with currency and estimated terms of the defined benefit obligation.

The Company has adopted AS-15 (Revised) from the Financial year 2007-08.

4. Fixed Assets

Fixed Assets are stated at cost of recognition/ installation less accumulated depreciation and include directly attributable cost including installation and freight charges for bringing the assets to working condition for intended use.

5. Depreciation

Depreciation on assets carried at historical cost is provided on straight-line basis at the rates prescribed under schedule XIV of the Companies Act, 1956.

Depreciation for additions to/deletions from assets is calculated pro-rata from/to the date of addition/deletion.

6. **Intangible Assets and Amortisation**

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 “Intangible Assets” issued by the Institute of Chartered Accountants of India, adopted by the company from the Financial Year 2007-08 and are amortised as follows:

-Cost of Lease hold land is amortized over the period of lease.

7. **Impairment of Assets**

- a) At each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:
 - i. The provision for impairment loss required, if any, or
 - ii. The reversal required of impairment loss recognized in previous periods, if any.
- b) An impairment loss is recognized whenever the carrying amount of an asset or its cash generating units exceed its recoverable amount.

Recoverable amount is determined:

- i. in the case of an individual asset, at higher of the net selling price or value in use.
- ii. in the case of cash generating unit, at higher of the cash generating unit’s net selling price or value in use.

8. **Investments**

- (a) Long term investments are carried at cost after providing for any diminution in value, if such diminution is of permanent nature.
- (b) Current investments that are readily realizable and intended to be held for not more than a year are carried at lower of cost or market value. The determination of carrying costs of such investments is done on the basis of specific identification.

9. **Inventories**

Inventories are valued at lower of cost and net estimated realizable value, mainly comprises of publication and printed material. Publication and printed materials have been computed on the basis of estimated cost of materials, labour, cost of conversion and other costs incurred for bringing the inventories to their present location and condition. Cost is determined on FIFO method.

10. **Miscellaneous Expenditure**

Preliminary expenses incurred on formation of the company and expenses incurred for increase in authorized capital are amortized over a period of 5 years.

11. **Foreign Currency Transactions**

- (a) The reporting currency of the company is Indian Rupee.
- (b) Foreign currency transactions are recorded on initial recognition in reporting currency, using the exchange rate at the date of transaction. At each Balance sheet, foreign currency monetary items are reported using the closing rate.

The exchange differences arising on settlement of monetary items are recognised as income or expenses in the year in which they arise.

12. **Taxes on Income**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provision of the Income Tax Act, 1961.

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet data.

13. **Provisions, Contingent Liabilities and Contingent Assets**

- (a) Provisions are recognised for liabilities that can be measured only by using substantial degree of estimation, if
- (i) if the company has a present obligation as a result of past event;
 - (ii) a probable outflow of resources is expected to settle the obligation;
 - (iii) the amount of the obligation can be reliably estimated.

- (b) Contingent liability is disclosed in the case of:

- (i) present obligation arising from a past event, when it is not probable that an outflow of resource will be required to settle the obligation,
- (ii) a present obligation when no reliable estimate is possible; and
- (iii) a possible obligation arising from past events where the probability of outflow of resource is not remote

- (c) Contingent Assets are neither recognized, nor disclosed.

Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

As per report attached

SHARP & TANNAN
Chartered Accountants
ICAI Registration no. 000452N
By the hand of

Pavan K. Aggarwal
Partner
Membership No. 91466

New Delhi,
23rd August, 2010

Annexure – VA

Notes forming part of Restated Standalone Financial Information:

1. The Company has issued 3,420,000 equity shares of Rs. 10.00 each as fully paid-up in the financial year 2006-07 as bonus shares after capitalizing the general reserve and share premium.

The Company has issued 6,846,120 equity shares of Rs. 10.00 each as fully paid-up in the financial year 2007-08 as bonus shares after capitalizing the general reserve and share premium.

The above 10,266,120 Equity shares were issued as bonus shares by way of capitalisation of General Reserve of Rs 102.66 million.

During the year 2006-07 the company has issued 511,200 equity shares of Rs. 10/- each fully paid up at a premium of Rs. 107/- per share.

During the year 2007-08 the company has issued 60,000 equity shares of Rs. 10/- each fully paid up at a premium of Rs. 390/- per share. 90,000 equity shares of Rs. 10/- each fully paid up have been issued at a premium of Rs. 310/- per share in satisfaction of unsecured loan from directors.

Share Application money amounting to Rs.5.19 million received in the FY 2006-07 was refunded to the applicants during the financial year 2007-08.

During the year ended March 31, 2010 the company has allotted 2,011,264 equity shares of Rs. 10 each fully paid up at a premium of Rs. 238.60 per share in pursuance to an agreement with Franklin Templeton Asset Management (India) Private Limited on pari passu basis with the existing issued equity shares in all respect.

Further, 341,713 equity shares of Rs 10 each fully paid up at a premium of Rs. 282.64 per share have been allotted on pari passu basis with the existing issued equity shares in all respect.

2. Estimated amount of contracts remaining to be executed on capital account (net of advances):

(Amount in Rs. Millions)

Particulars	Year ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Estimated amount of contracts (net of advances)	0.91	2.31	14.37	10.43	Nil

3. Earning in foreign exchange:

(Amount in Rs. Millions)

	Year Ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Education service fees	Nil	Nil	5.40	Nil	Nil

4. Expenditure in foreign exchange:

(Amount in Rs. Millions)

	Year Ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Software Purchased	Nil	0.19	Nil	Nil	Nil

5. Segment Reporting

The Company operates in one business segment i.e. Learning Solutions. Hence the reporting requirements pertaining to Accounting Standard 17 on “Segmental Reporting” are not applicable

6. Borrowing Cost

According to the management of the company, the funds utilized for the purpose of Assets acquired and capitalized/under Work in Progress are generated by internal accruals and equity raised.

7. Basic and Diluted Earning per share (“EPS”) computed in accordance with Accounting Standard (AS) 20 “Earning per Share”

Particulars	Year Ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Net profit available to equity shareholders (Rs. million)	198.69	162.41	154.53	120.10	14.73
Weighted average number of equity shares outstanding during the period for Basic EPS (nos)	13,506,072	12,067,320	11,955,539	4,658,038	1,140,000
Weighted average number of equity shares outstanding during the period for Dilutive EPS (nos)	13,506,072	12,067,320	11,955,539	4,669,048	1,140,000
Total number of equity shares outstanding at the end of the year	14,420,297	12,067,320	12,067,320	5,071,200	1,140,000
Earning Per Share (Basic) (Rs.)	14.71	13.46	12.92	25.78	12.92
Earning Per Share (Diluted) (Rs.)	14.71	13.46	12.92	25.72	12.92

8. Major components of Deferred Tax Assets and Deferred Tax Liabilities:

(Amount in Rs. Million)

Particular	Year ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
<u>(A) Deferred Tax Liability:</u>					
Difference between book and tax Depreciation	5.07	2.97	1.61	1.04	0.66
Reversal for Earlier Years	0.32				
<u>(B) Deferred Tax Assets</u>					
Disallowance under Income Tax Act	3.52	0.61	0.46	0.12	0.04
<u>(C) Net Deferred Tax Liability</u>	1.87	2.36	1.15	0.92	0.62

9. Amount payable to Micro, Small & Medium Enterprises (MSMED Act)

- (a) In spite of absence of a data-base identifying creditors as Micro, Small & Medium Enterprises, the management is of the opinion that there are no parties which can be classified as Micro, Small & Medium Enterprises to whom the company owes any sum. The Auditors have accepted the representations of the management in this matter.

- (b) The Company will identify the suppliers who are covered under “The Micro, Small & Medium Enterprises Development Act, 2006” on receiving the information from them, after which necessary information as required under the said Act will be complied.

10. Managerial Remuneration

(Amount in Rs. Millions)

Particulars	Year ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Salary	3.60	3.60	3.60	3.60	-
Allowances	1.63	1.63	1.22	-	-
Total	5.23	5.23	4.82	3.60	-

11. Auditors remuneration (excluding service tax and education cess):

(Amount in Rs. Millions)

Particulars	Year ended.				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Auditors Remuneration for services rendered:					
a) As Auditor	0.20	0.05	0.05	0.03	0.02
b) As adviser in:					
-taxation matters	-	-	-	0.01	0.01
-company law matters	-	-	-	-	-
-management services	-	-	-	-	-
c) Other services	0.50	-	-	0.00	0.00
d) Out of Pocket Expenses	0.02	0.01	0.00	0.00	0.00
Total	0.72	0.06	0.05	0.04	0.03

12. The Company has classified the various benefits provided to employees as follows:

(i) Defined Contribution Plans – Provident Fund

(Amount in Rs. Millions)

Particulars	Year ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Employer's contribution	0.21	0.13	0.17	0.24	Nil

(ii) State Plans – Employer's Contribution to Employees Pension Scheme, 1995.

(Amount in Rs. Millions)

Particulars	Year ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Employer's contribution	0.29	0.25	0.24	0.12	Nil

(iii) Defined Benefit Plans:

a) Gratuity

Pursuant to transitional provisions of Accounting Standard 15 (Revised) on Employee Benefits an amount of Rs. 416,896 has been debited to the General Reserve in the FY 2007-08. The said amount represents the difference between the liability in respect of gratuity determined under AS-15 (Revised) as on April 1, 2007 and the liability that existed as on that date as per AS-15 prior to revision.

In accordance with Accounting Standard-15 (revised 2005) actuarial valuation was carried out as at year end in respect of Defined Benefit Plan's – Gratuity on the following assumptions:

Sr No	Particulars	As at March 31, 2010	As at March 31, 2009
i)	Discounting Rate	8.00 %	7.00 %
ii)	Future salary Increase	6.00 %	6.00 %
iii)	Retirement Age	58	58
iv)	Attrition rate	5.00%	5.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

In the absence of any investment, description of the basis required to be used to determine the overall expected rate of return on assets including major categories of plan assets has not been given.

Change in present value of the defined benefit obligation

(Amount in Rs. Millions)

Sr No	Particulars	As at 31-Mar-10	As at 31- Mar-09	As at 31-Mar-08
a)	Present value of obligation as at the beginning of the period	1.43	1.14	0.42
b)	Acquisition adjustment	-	-	-
c)	Interest cost	0.11	0.08	0.03
d)	Past service cost	-	-	-
e)	Current service cost	1.22	0.61	0.74
f)	Curtailement cost/(Credit)	-	-	-
g)	Settlement cost/(Credit)	-	-	-
h)	Benefits paid	(0.20)	-	-
i)	Actuarial (gain)/loss on obligation	0.50	(0.40)	(0.05)
j)	Present value of obligation as at the end of period.	3.06	1.43	1.14

Changes in the fair value of plan assets

(Amount in Rs. Millions)

Sr No	Particulars	As at 31-Mar-10	As at 31- Mar-09	As at 31-Mar-08
a)	Fair value of plan assets at the beginning of the period	-	-	-
b)	Acquisition adjustment	-	-	-
c)	Expected return on plan assets	-	-	-
d)	Contributions	0.20	-	-
e)	Benefits paid	(0.20)	-	-
f)	Actuarial gain/(loss) on plan assets	-	-	-
g)	Fair value of plan assets at the end of the period	-	-	-

Amount recognized in the Balance Sheet

(Amount in Rs. Millions)

Sr No	Particulars	As at 31-Mar-10	As at 31- Mar-09	As at 31-Mar-08
a)	Present value of Defined Benefit Obligation			
	- Funded	-	-	-
	- Unfunded	3.06	1.43	1.14
	Total	3.06	1.43	1.14
b)	Less. Fair value of Plan Assets	-	-	-
c)	Amount to be recognized as liability or (asset)	3.06	1.43	1.14

Expense recognized in the statement of profit and loss*(Amount in Rs. Millions)*

Sr No	Particulars	As at 31-Mar-10	As at 31- Mar-09	As at 31-Mar-08
a)	Current service cost	1.22	0.61	0.74
b)	Past service cost	-	-	-
c)	Interest cost	0.11	0.08	0.03
d)	Expected return on plan assets	-	-	-
e)	Curtailment cost / (credit)	-	-	-
f)	Settlement cost / (credit)	-	-	-
g)	Net actuarial (gain)/ loss recognized in the period	0.50	(0.40)	(0.05)
h)	Expenses recognized in the statement of profit & losses	1.83	0.29	0.72

Amount for the current year is as follows*(Amount in Rs. Millions)*

Particulars	As at 31-Mar-10	As at 31- Mar-09	As at 31-Mar-08
Defined Benefit Obligation	1.83	1.43	1.14
Plan Assets			
Surplus/ (Deficit)	(1.83)	(1.43)	(1.14)
Experience adjustments on plan liabilities	-	-	-
Experience adjustments on plan assets	-	-	-

13. Classification of Inventories as required by AS-2 "Valuation of Inventories"

(Amount in Rs. Millions)

Particulars	Year ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Publication Material (Paper)	Nil	2.78	3.25	1.20	0.24
Printed Material (Books)	17.43	15.71	6.31	2.33	0.52
Total	17.43	18.49	9.56	3.53	0.76

Inventory consists of various small items and therefore the itemwise breakup is not given.

14. Share Issue Expenses

Upto March 31, 2010, the company has incurred Rs.14.35 million in connection with the proposed public issue of its equity shares. This amount will be adjusted against securities premium arising from the proposed issue of equity shares, as permitted under section 78 of Companies Act, 1956. This amount has been carried forward under the head 'Miscellaneous Expenditure' in the Restated Standalone Statements of Assets and Liabilities.

15. Commission and expenditure related to equity share issue incurred during the period amounting to Rs 12.14 million has been adjusted against share premium under Reserve and Surplus.

16. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2010.

17. During the year ended March 31, 2009 the company has obtained secured loan-overdraft facility of Rs. 50.00 million from HDFC Bank against the security of below mentioned property.

- E-8(2), Road No.1, IPIA, Kota
- 112A, Shakti Nagar, Kota
- 112B, Shakti Nagar, Kota

However, no amount has been utilized from the said facility till March 31, 2010.

18. During the year, the company has given Rs. 325.85 Million (Previous year Rs. 195.75 Million) including interest to its wholly owned subsidiary M/s Career Point Infra Limited and Rs. 2.15 Million (Previous year Rs. 0.53 Million) including interest to its subsidiary M/s Career Point Edutech Limited against Inter Corporate deposit (ICD) converted into loans at the rate of interest of 9% per annum for meeting capital expenditure requirements, repayable by quarterly instalments in 7 years. The first instalment of repayment will start after a moratorium of 4 years.
19. During the year, company has purchased 1,50,006 shares of Rs. 10 each (Face value) of Career point Edutech Limited, subsidiary of Career Point Infosystems Limited, from directors and their relatives. Career Point Edutech Limited is having net asset value of Rs. 4.21 Million as on 31st March, 2010.
20. The company has given unsecured loans of Rs 69,035,361/- to various parties at the interest rates varying from 6% to 16.8%.
21. Provision for Bonus has been made for Rs.181,974 /- for eligible employees for the year ended 31st March, 2010.
22. Fees received by the company's franchisees are deposited in the franchisee wise bank account of the company. However, company is recording in its books of account only the amount which company is entitle to receive as royalty as per the agreement enter into with the franchisee.
23. The company has temporarily invested/re-invested the amount received as share capital and share premium in liquid debt mutual funds.
24. During the year ended March 31, 2010 the company has obtained secured loan-overdraft facility of Rs. 90.00 million from HDFC Bank against the security of Fixed Deposit Receipts of Rs.100.00 million issued by HDFC Bank in the name of the company.
25. The management of the company has reviewed the existing assets working conditions and utility as at March 31, 2010, the balance sheet date and are of the opinion that there exists no indication that an asset has been impaired and hence no impairment has been carried out.
26. Un-hedged foreign currency exposures as at March 31, 2010 are as under:

Particulars	Amount (Rs.)
Receivables	Nil
Payables	Nil

27. Figures for the previous period have been regrouped / reclassified wherever necessary.

As per report attached

SHARP & TANNAN
Chartered Accountants
ICAI Registration no. 000452N
By the hand of

Pavan K. Aggarwal
Partner
Membership No. 91466

New Delhi,

23rd August, 2010

Annexure VI – Restated Standalone Statement of Secured Loans
(Amount in Rs. Millions)

Particulars	Amount Outstanding			As at 31 st March, 2010			
	Year ended	Year ended	Year ended	Sanctioned Amount	Rate of Interest	Repayment Terms	Security
	31-Mar-10	31-Mar-09	31-Mar-08				
HDFC Bank - Overdraft Facility (Note 1)	1.13	52.19	-	90.00	8.00%	-	Against Fixed Deposit Receipts amounting to Rs. 100.00 million in the name of the Company
HDFC Bank - Overdraft Facility (Note 2)	-	-	-	50.00	13.75%	Dropline of Rs. 0.83 million every month plus interest on amount utilized	Against below mentioned property: - E-8(2), Road No.1, IPIA, Kota - 112A, Shakti Nagar, Kota - 112B, Shakti Nagar, Kota
Total	1.13	52.19	-	140.00			-

Notes:

1. There were no loans taken by the Company against any security for the financial years 2006-07 and 2005-06. As on 31st March, 2008, the sanctioned limit for overdraft was Rs. 36.00 million, during the year ended 31st March, 2009, the sanctioned amount was upgraded to Rs. 88.00 million and during the year ended 31st March, 10 the sanctioned amount was upgraded to Rs. 90.00 million.
2. This overdraft facility has been sanctioned in financial year 2008-09, however Company has not utilized any amount till 31st March, 2010.

Annexure VIA – Restated Standalone Statement of Unsecured Loans
(Amount in Rs. Millions)

Particulars	As at				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
From Directors	-	-	-	28.80	5.46
From Others	-	-	-	0.47	-
Total	-	-	-	29.27	5.46

Note:

During the year 2007-08 unsecured loan of Rs. 28.8 million from director has been converted in to 90,000 equity shares of Rs. 10 each at a premium of Rs. 310.

Annexure VII – Restated Standalone Statement of Loans and Advances

(Amount in Rs. Millions)

Particulars	As at				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Advances and Loans to-					
- Subsidiaries	347.37	196.28	40.83	1.38	-
- Others	7.34	2.66	1.73	0.90	0.07
Less: Provision for Doubtful Advances	(0.12)				
Inter Corporate Deposits	-	6.43	5.63	18.84	9.45
Deposits with Government Authorities	0.18	1.34	1.77	1.50	0.20
Security Deposit against Lease Properties	5.17	5.99	5.29	3.66	0.02
Advance Income Tax (Net of Provision for Tax)	18.04	12.66	6.61	2.18	3.09
Loans and Advances to Others	69.04	59.56	49.11	48.76	14.80
Advances recoverable in Cash or kind or for value to be received	9.41	8.86	26.84	15.07	3.25
Less: Provision for Doubtful Advances	(1.63)				
Total	454.80	293.78	137.81	92.29	30.88

Annexure VIII – Restated Standalone Statement of Sundry Debtors

(Amount in Rs. Millions)

Particulars	As at				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
(Unsecured, considered doubtful)					
- Outstanding for a period less than six months	-	-	-	-	-
- Outstanding for a period exceeding six months	4.24	-	-	-	-
(Unsecured, considered good)					
- Outstanding for a period less than six months <i>(Refer Note Below)</i>	3.29	8.53	14.89	4.90	4.37
- Outstanding for a period exceeding six months	1.37	14.93	3.11	0.74	1.41
Less: Provision for Doubtful debts	(4.24)	-	-	-	-
Total	4.66	23.46	18.00	5.64	5.78

Note:

1. There are no receivables due from promoters/Promoters' group/Directors
2. Debtors for less than six months for the FY 2006-07 include debtors pertaining to royalty income for FY 2006-07 accounted for in FY 2007-08, as restated.
3. Debtors for less than six months for the FY 2007-08 include debtors pertaining to royalty income for FY 2007-08 accounted for in FY 2008-09, as restated.

Annexure IX – Restated Standalone Statement of Investments
(Amount in Rs. Millions)

Particulars	As at				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Equity Shares of Subsidiary Companies					
Career Point Edutech Limited 550,000 (March 2007 - 49,994 and March 2008 - 399,994) shares of Rs. 10 each	5.50	4.00	4.00	0.50	-
Career Point Publications Limited (49,994 shares of Rs. 10 each)	-	-	0.50	0.50	-
Career Point Infra Limited (3,099,994 shares of Rs. 10 each)	31.00	31.00	31.00	-	-
Equity Shares of Associates					
Imperial Infin (P) Ltd. (34,000 shares @ Rs. 100 each)	3.40	3.40	3.40	3.40	3.40
Rubymerry Enterprises Private Limited (100 shares @ Rs 10 each)	-	0.00	0.00	-	-
Other Investments – Quoted					
Action Financial Services India Ltd	-	-	0.13	-	-
CHD Developers	-	-	0.07	-	-
Garnet International Limited	-	-	-	0.02	-
Vakrangee Software Limited	-	-	-	0.69	0.50
GR Cables Limited	-	-	0.05	-	-
Reliance Power Limited	-	0.22	0.49	-	-
Sujana Universal Industries Ltd	-	-	0.05	-	-
IFCI Limited	-	-	0.51	-	-
NICCO Corporation Limited	-	-	0.09	-	-
VISU International Limited	-	-	0.05	-	-
Abhishek Industries Limited	-	0.06	-	-	-
Aftek Limited	0.11	0.11	-	-	-
Bank of Maharashtra	-	0.25	-	-	-
Century Textiles and Industries Limited	-	0.87	-	-	-
Chambal Fertilizers and Chemicals Limited	-	0.63	-	-	-
Chennai Petroleum Corporation	-	0.55	-	-	-
JK Papers	-	0.18	-	-	-
Jaiprakash Hydro Power Limited	-	0.20	-	-	-
MRO Tech Limited	-	0.07	-	-	-
Mahanagar Telephone Nigam Limited	-	1.08	-	-	-
NIIT Limited	-	1.91	-	-	-
TATA Elxsi Limited	-	0.20	-	-	-
TATA Motors Limited	-	0.32	-	-	-
UCO Bank	-	0.49	-	-	-
Varun Shipping Company	-	0.17	-	-	-
Lloyd Electric & Engineering Limited	-	0.05	-	-	-
SBI SDF S 90 days 5323710	-	-	-	20.10	-
UTI Fixed Mt Plan	-	9.00	9.00	5.00	-
ICICI Pru – Income Opportunity Fund Retail Growth	10.00				
LICMF Floating Rate Fund	246.61				
UTI-Fixed Income Interval Fund	100.00				

Particulars	As at				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
ICICI Prudential FMP Series	20.00				
Other Investments – Unquoted					
Share Application Money - R.C. Jain Investment Pvt Ltd	0.00	0.00	-	-	-
Total	416.62	54.77	49.35	30.21	3.90

Note:

(Amount in Rs. Millions)

	As at				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
<u>Aggregate of Quoted Investments -</u>					
Cost	376.72	16.37	10.45	25.81	0.50
Market Value	376.69	17.12	9.79	25.73	0.50
<u>Aggregate of Unquoted Investments -</u>					
Subsidiary-cost	36.50	35.00	35.50	1.00	-
Others-cost	3.40	3.40	3.40	3.40	3.40
Total Cost	416.62	54.77	49.35	30.21	3.90

Annexure X – Restated Standalone Statement of Operational Income*(Amount in Rs. Millions)*

Particulars	Year Ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Education and training income	590.71	397.72	320.15	225.76	3.26
Centers Royalty - Upfront	5.17	14.40	13.25	16.86	13.95
Centers Royalty - Ongoing	16.04	27.62	35.88	34.46	24.07
Sale of study Material	4.63	11.77	10.95	13.66	13.04
Total	616.55	451.51	380.23	290.74	54.32

Annexure XA – Restated Standalone Statement of Other Income*(Amount in Rs. Millions)*

Particulars	Year Ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Interest Received	36.98	29.83	22.74	7.22	1.67
Dividend	18.58	2.29	2.86	1.06	0.13
Advertisement Income	0.04	0.07	0.25	-	-
Profit on Sale of Fixed Assets and Shares (Net)	3.17	2.05	5.35	0.54	0.82
Forfeiture of Security Deposit	1.67	3.79	-	-	-
Miscellaneous Income	1.02	0.82	0.23	0.15	-
Total	61.46	38.85	31.43	8.97	2.62

Annexure XI – Restated Standalone Statement of Share Capital

(Amount in Rs. Millions)

Particulars	As at				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Authorised Share Capital					
Equity Share Capital					
Equity Shares of Rs.10 each	250.00	250.00	250.00	131.50	11.50
Issued, Subscribed & Paid Up					
Equity Share Capital					
Equity Shares of Rs.10 each	144.20	120.67	120.67	50.71	11.40
Share Application Money Pending Allotment	-	-	-	5.19	-
Total	144.20	120.67	120.67	55.90	11.40

Note:

1. Of the Equity shares of Rs. 10 each comprised in the subscribed and paid-up capital of the company 10,266,120 Equity shares were issued as bonus shares by way of capitalisation of General Reserve Rs. 102.66 million during the FY 2006-07 and 2007-08.
2. During the FY 2006-07 the company has issued 511,200 equity shares of Rs. 10/- each fully paid up at a premium of Rs. 107/- per share.
3. During the FY 2007-08 the company has issued 60,000 equity shares of Rs. 10/- each fully paid up at a premium of Rs. 390/- per share.
4. During the FY 2007-08 the company has issued 90,000 equity shares of Rs. 10/- each fully paid up have been issued at a premium of Rs.310/- per share in satisfaction of unsecured loan taken from Directors
5. During the year ended March 31, 2010, the company has allotted 2,011,264 equity shares of Rs 10 each fully paid up at a premium of Rs 238.60 per share in pursuance to an agreement with *Franklin Templeton Asset Management (India) Private Limited* on pari passu basis with the existing issued equity shares in all respect. Further, 341,713 equity shares of Rs 10 each fully paid up at a premium of Rs. 282.64 per share have been allotted on pari passu basis with the existing issued equity shares in all respect.

Annexure XI A – Restated Standalone Statement of Reserves & Surplus

(Amount in Rs. Millions)

Particulars	As at				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Share Premium	670.33	106.00	106.00	54.70	5.76
General Reserve	8.66	8.65	8.68	77.15	21.03
Profit & Loss A/c	552.50	353.81	191.39	36.86	10.66
Total	1,231.49	468.46	306.07	168.71	37.45

Annexure XII – Restated Standalone Statement of Cash and Bank Balances

(Amount in Rs. Millions)

Particulars	As at				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Cash on Hand (as certified by management)	3.69	7.15	2.79	2.62	1.65
Balance with Scheduled Banks					
- On Current Account	11.96	6.86	45.54	33.89	14.90
- On Deposit Account	210.51	118.79	121.17	82.97	3.57
Total	226.16	132.80	169.49	119.48	20.12

Annexure XIII – Restated Standalone Statement of Current Liabilities and Provisions

(Amount in Rs. Millions)

Particulars	As at				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Current Liabilities					
Sundry Creditors	23.93	3.13	5.66	1.23	1.46
Other Liabilities					
-TDS & Service Tax Payable	2.81	4.19	3.52	0.76	0.12
-Security Deposits	2.52	1.56	2.70	1.78	0.30
-Expenses payable	10.72	19.66	14.36	9.38	1.46
-Others	0.71	0.01	0.07	0.01	0.05
Advance fees from Students and Franchisee	59.38	67.04	55.43	51.79	42.60
Total (A)	100.07	95.59	81.74	64.95	45.99
Provisions					
Proposed Dividend Including Dividend Tax	-	-	-	8.90	1.95
Provision for FBT (Net of Advance Tax)	-	0.04	0.43	0.20	-
Provision for Wealth Tax	0.56	0.86	0.24	-	-
Provision for Gratuity	3.06	1.43	1.14	0.42	-
Total (B)	3.62	2.33	1.81	9.52	1.95
Total (A+B)	103.69	97.92	83.55	74.47	47.94

Annexure XIV – Restated Standalone Details of Contingent Liabilities*(Amount in Rs. Millions)*

Particulars	As at				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Demand Notice for Service Tax from Central Excise Department	1.05	4.44	1.77	1.77	-
Demand Notice for Income Tax from Income Tax department	0.95	-	-	-	-
Consumer cases liability in respect of matter in appeal	1.75	1.05	0.50	0.88	-
Income Tax Search Case*					
Total	3.75	5.49	2.27	2.65	-

- * An undisclosed income amounting to Rs 60,058,330/- has been detected by the Income Tax Department during search & seizure carried on 4th December 2009 under Income Tax Act,1961 in the office premises of the Company as well as the residence of the Executive Directors. Out of this income it is not clearly mentioned as to how much pertains to the Individuals and how much to the Company. Consequently the Contingent liability of the Company in respect of this undisclosed income has become difficult to be ascertained.

Annexure XV – Restated Standalone Statement of Accounting Ratios (As per AS 20)

(Amount in Rs. Millions)

Sr No	Particulars	Year Ended				
		31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
1	Earning per Equity share (Rs.)					
	-Basic	14.71	13.46	12.92	25.78	12.92
	-Diluted	14.71	13.46	12.92	25.72	12.92
2	Return on Net Worth (%)	14.60	27.69	36.39	53.76	30.21
3	Net Asset value per share (Rs.)	94.37	48.61	35.52	47.85	42.78
4	Weighted average number of equity shares outstanding during the period for Basic EPS (nos)	13,506,072	12,067,320	11,955,539	4,658,038	1,140,000
5	Weighted average number of equity shares outstanding during the period for Dilutive EPS (nos)	13,506,072	12,067,320	11,955,539	4,669,048	1,140,000
6	Total shares outstanding at the end of the year (nos)	14,420,297	12,067,320	12,067,320	5,071,200	1,140,000

Notes:

- The above ratios have been computed as under:

$$\text{Basic Earning per Share (Rs.)} = \frac{\text{Net profit available to equity shareholders as restated}}{\text{Total Weighted average number of equity shares outstanding during the period}}$$

$$\text{Dilutive Earning per Share (Rs.)} = \frac{\text{Net profit available to equity shareholders as restated}}{\text{Potential Weighted average number of equity shares outstanding during the period}}$$

$$\text{Return of Net Worth (\%)} = \frac{\text{Net profit after tax as restated}}{\text{Net Worth as restated at the end of the period}}$$

$$\text{Net Asset Value per equity share (Rs.)} = \frac{\text{Net Worth as restated at the end of the period}}{\text{No of equity shares outstanding at the end of the year}}$$

- Net profit as restated has been considered for the purpose of computing the above ratios.
- Earnings per share calculations are done in accordance with Accounting Standard 20 on 'Earnings Per Share', issued by the Institute of Chartered Accountants of India.

Annexure XVI – Restated Statement of Tax Shelter
(Amount in Rs. Millions)

Particulars	Year Ended				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Income Tax Rate (including surcharge and education cess thereon) (A)	33.99%	33.99%	33.99%	33.66%	33.66%
Profit/Loss before tax as per restated accounts (B)	293.79	248.00	234.45	180.60	21.94
Tax at Income Tax Rates (C=B*A)	99.86	84.30	79.69	60.79	7.39
<i>Amount to be taxed under other heads of income:</i>					
Capital Loss carried forward (taken separately)	-	-	-	-	-
Capital Gain (taken separately)	3.35	2.28	4.87	0.44	0.74
Total Amount to be considered separately (D)	3.35	2.28	4.87	0.44	0.74
Temporary Differences					
Difference between Tax Depreciation and Book Depreciation	6.19	3.99	1.73	1.55	0.87
Others	(12.13)	(0.62)	(1.14)	(0.27)	-
Total Timing Differences (E)	(5.94)	3.36	0.59	1.29	0.87
Permanent Differences					
-Interest, Fines & Penalty	(0.05)	(0.02)	(0.03)	-	(0.00)
-Other Taxes / Items	-	(3.50)	(0.53)	(0.17)	(0.10)
-Donations	(0.02)	0.00	-	0.00	(0.01)
Total Permanent Differences (F)	(0.07)	(3.53)	(0.56)	(0.17)	(0.11)
Dividend Income exempt u/s 10(34) (G)	18.58	2.29	2.86	1.06	0.13
Long Term Capital gain exempt u/s 10 (38) (H)	0.07				
Net Adjustments (I=D+E+F+G+H)	15.99	4.41	7.75	2.61	1.63
Tax saving thereon (J=I*A)	5.43	1.50	2.64	0.88	0.55
Total taxation (K=C-J)	94.43	82.80	77.05	59.91	6.84
Tax on Capital Gain (L)	0.57	0.39	0.84	0.05	0.08
Less: Rebate under section 88E (M)	-	-	-	(0.00)	-
Total taxation (N=K+L+M)	95.00	83.19	77.89	59.96	6.92
Tax Savings / (Expense) due to Restatement of Profit (Refer Annexure IVA)	-	(0.48)	1.36	(0.87)	-
Tax Expense as per Provisions of MAT (O)	-	-	-	-	-
Deferred Tax Charge / (Credit) (P)	(0.49)	1.21	0.23	0.30	0.31
Fringe Benefit Tax (Q)	-	0.68	0.52	0.20	-
Actual Tax Liability (R=N+O+P+Q)	94.51	84.59	80.00	59.59	7.23

Annexure XVII – Restated Capitalisation Statement

(Amount in Rs. Millions)

Particulars	Pre-Issue	Post Issue (Note 1)
	As At	
	31-Mar-10	
Borrowings:		
Short-term Debt	1.13	
Long-term Debt	-	
Total Debt	1.13	
Shareholder's Funds :		
Equity Share Capital	144.20	
Reserves and Surplus	1,231.49	
Less: Misc. expenses	(14.83)	
Total Shareholder's Funds	1360.86	
Total Debt Equity ratio	0.00083	

Note:

1. Share capital and reserves and surplus post issue can be ascertained only on conclusion of the book building process.

Annexure XVIII – Restated Standalone Statement of Related Party Transactions

A. List of Related Parties

Key Managerial Personnel (KMP)

31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Mr. Pramod Maheshwari	Mr. Pramod Maheshwari	Mr. Pramod Maheshwari	Mr. Pramod Maheshwari	Mr. Pramod Maheshwari
Mr. Om Prakash Maheshwari	Mr. Om Prakash Maheshwari	Mr. Om Prakash Maheshwari	Mr. Om Prakash Maheshwari	Mr. Om Prakash Maheshwari
Mr. Nawal Kishore Maheshwari	Mr. Nawal Kishore Maheshwari	Mr. Nawal Kishore Maheshwari	Mr. Nawal Kishore Maheshwari	Mr. Nawal Kishore Maheshwari

Relative of Key Managerial Personnel

31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Ms. Shilpa Maheshwari	Ms. Shilpa Maheshwari	Ms. Shilpa Maheshwari	Ms. Shilpa Maheshwari	Ms. Shilpa Maheshwari
Ms. Neelima Maheshwari	Ms. Neelima Maheshwari	Ms. Neelima Maheshwari	Ms. Neelima Maheshwari	Ms. Neelima Maheshwari
Ms. Rekha Maheshwari	Ms. Rekha Maheshwari	Ms. Rekha Maheshwari	Ms. Rekha Maheshwari	Ms. Rekha Maheshwari
Mr. Gulab Chand Maheshwari	Mr. Gulab Chand Maheshwari	Mr. Gulab Chand Maheshwari	Mr. Gulab Chand Maheshwari	Mr. Gulab Chand Maheshwari
Ms. Kailash Bai	Ms. Kailash Bai	Ms. Kailash Bai	Ms. Kailash Bai	Ms. Kailash Bai
Ms. Radha Rani Nuwal	Ms. Radha Rani Nuwal	Ms. Radha Rani Nuwal	Ms. Radha Rani Nuwal	Ms. Radha Rani Nuwal
Mr. Govind Nuwal	Mr. Govind Nuwal	Mr. Govind Nuwal	Mr. Govind Nuwal	Mr. Govind Nuwal
Mr. Vishal Maheshwari	Mr. Vishal Maheshwari	Mr. Vishal Maheshwari	Mr. Vishal Maheshwari	Mr. Vishal Maheshwari
Ms. Neetu Maheshwari	Ms. Neetu Maheshwari	Ms. Neetu Maheshwari	Ms. Neetu Maheshwari	Ms. Neetu Maheshwari
Mr. Rahul Nyati	Mr. Rahul Nyati	Mr. Rahul Nyati	Mr. Rahul Nyati	Mr. Rahul Nyati

Associate Companies

31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
	Rubymerry Enterprises Pvt. Ltd.	Rubymerry Enterprises Pvt. Ltd.		
Imperial Infin Pvt. Ltd.	Imperial Infin Pvt. Ltd.	Imperial Infin Pvt. Ltd.	Imperial Infin Pvt. Ltd.	Imperial Infin Pvt. Ltd.

Enterprises in which Key Management Personnel are interested

31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Wellwin Technosoft Pvt Ltd.	Wellwin Technosoft Pvt Ltd.	Wellwin Technosoft Pvt Ltd.	Wellwin Technosoft Pvt Ltd.	Wellwin Technosoft Pvt Ltd.
Swastika Polyolefins Pvt. Ltd.	Swastika Polyolefins Pvt. Ltd.	Swastika Polyolefins Pvt. Ltd.	Swastika Polyolefins Pvt.	Swastika Polyolefins Pvt.

31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Shricon Industries Limited	Shricon Industries Limited	Shricon Industries Limited	Ltd.	Ltd.
Gulab Chand Maheshwari (Huf)	Gulab Chand Maheshwari (Huf)	Gulab Chand Maheshwari (Huf)	Gulab Chand Maheshwari (Huf)	Gulab Chand Maheshwari (Huf)
Om Prakash Maheshwari (Huf)	Om Prakash Maheshwari (Huf)	Om Prakash Maheshwari (Huf)	Om Prakash Maheshwari (Huf)	Om Prakash Maheshwari (Huf)
Pramod Maheshwari (Huf)	Pramod Maheshwari (Huf)	Pramod Maheshwari (Huf)	Pramod Maheshwari (Huf)	Pramod Maheshwari (Huf)
Nawal Kishore Maheshwari (Huf)	Nawal Kishore Maheshwari (Huf)	Nawal Kishore Maheshwari (Huf)	Nawal Kishore Maheshwari (Huf)	Nawal Kishore Maheshwari (Huf)
Gulab Chand Ramesh Chand, Kota	Gulab Chand Ramesh Chand, Kota	Gulab Chand Ramesh Chand, Kota	Gulab Chand Ramesh Chand, Kota	Gulab Chand Ramesh Chand, Kota
Maheshwari Trading Company, Kota	Maheshwari Trading Company, Kota	Maheshwari Trading Company, Kota	Maheshwari Trading Company, Kota	Maheshwari Trading Company, Kota
Gopi Bai Foundation	Gopi Bai Foundation	Gopi Bai Foundation	Gopi Bai Foundation	Gopi Bai Foundation
Shri Bitthal Traders, Kota	Shri Bitthal Traders, Kota	Shri Bitthal Traders, Kota	Shri Bitthal Traders, Kota	Shri Bitthal Traders, Kota
Longway Business Solution Pvt Ltd	Longway Business Solution Pvt Ltd	Longway Business Solution Pvt Ltd	Longway Business Solution Pvt Ltd	Longway Business Solution Pvt Ltd
Diamond Business Solutions Pvt Ltd.	Diamond Business Solutions Pvt Ltd.	Diamond Business Solutions Pvt Ltd.	Diamond Business Solutions Pvt Ltd.	Diamond Business Solutions Pvt Ltd.
Rubymerry Enterprises Pvt. Ltd.	-	-	-	-

Subsidiaries

31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Career Point Edutech Limited	Career Point Edutech Limited	Career Point Edutech Limited	Career Point Edutech Limited	-
-	-	Career Point Publications Limited	Career Point Publications Limited	-
Career Point Infra Limited	Career Point Infra Limited	Career Point Infra Limited	-	-

Annexure XVIII – Restated Standalone Statement of Related Party Transactions

Details of Transactions with Related Parties

(Amount in Rs. Millions)

Related Party	Relationship	Nature of Transaction	Year Ended				
			31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Mr. Pramod Maheshwari	Key Managerial Personnel	Dividend for the year	-	-	-	0.86	0.21
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Dividend for the year	-	-	-	0.86	0.21
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Dividend for the year	-	-	-	0.86	0.21
Ms. Shilpa Maheshwari	Relative of Key Managerial Personnel	Dividend for the year	-	-	-	0.86	0.21
Ms. Neelima Maheshwari	Relative of Key Managerial Personnel	Dividend for the year	-	-	-	0.86	0.21
Ms. Rekha Maheshwari	Relative of Key Managerial Personnel	Dividend for the year	-	-	-	0.86	0.21
Mr. Gulab Chand Maheshwari	Relative of Key Managerial Personnel	Dividend for the year	-	-	-	0.86	0.21
Ms. Kailash Bai	Relative of Key Managerial Personnel	Dividend for the year	-	-	-	0.86	0.21
Mr. Pramod Maheshwari	Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28	-
Ms. Shilpa Maheshwari	Relative of Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28	-
Ms. Neelima Maheshwari	Relative of Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28	-
Ms. Rekha Maheshwari	Relative of Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28	-
Mr. Gulab Chand Maheshwari	Relative of Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28	-
Ms. Kailash Bai	Relative of Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Issue of Shares	-	-	9.60	-	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Issue of Shares	-	-	9.60	-	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Issue of Shares	-	-	9.60	-	-
Mr. Vishal Maheshwari	Relative of Key Managerial	Issue of Shares	-	-	0.40	-	-

Related Party	Relationship	Nature of Transaction	Year Ended				
			31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
	Personnel						
Ms. Neetu Maheshwari	Relative of Key Managerial Personnel	Issue of Shares	-	-	0.40	-	-
Mr. Rahul Nyati	Relative of Key Managerial Personnel	Issue of Shares	-	-	0.40	-	-
Rubymerry Enterprises Private Limited	Enterprises in which KMP are interested	Issue of Shares	-	-	16.00	-	-
Swastika Polyolefins Pvt. Ltd.	Enterprises in which KMP are interested	Issue of Shares	-	-	1.28	-	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Loan Given	-	-	-	0.76	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Loan Given	-	-	1.69	0.22	-
Gulab Chand Ramesh Chand, Kota	Enterprises in which KMP are interested	Loan Given	-	-	0.03	2.00	-
Rubymerry Enterprises Private Limited	Enterprises in which KMP are interested	Loan Given	-	0.14	23.62	-	-
Ms. Rekha Maheshwari	Relative of Key Managerial Personnel	Loan Given	-	-	-	1.03	-
Ms. Kailash Bai	Relative of Key Managerial Personnel	Loan Given	-	-	-	-	-
Ms. Shilpa Maheshwari	Relative of Key Managerial Personnel	Loan Given	-	-	-	1.16	-
Ms. Neelima Maheshwari	Relative of Key Managerial Personnel	Loan Given	-	-	-	1.13	-
Gulab Chand Maheshwari	Relative of Key Managerial Personnel	Loan Given	-	-	-	0.03	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Loan Given	-	-	-	38.58	-
Wellwin Technosoft Private Ltd.	Enterprises in which KMP are interested	Loan Given	0.10	-	0.70	0.82	5.10
Swastika Polyolefins Pvt. Ltd.	Enterprises in which KMP are interested	Loan Given	-	0.15	6.98	0.01	13.92
Shricon Industries Limited	Enterprises in which KMP are interested	Loan Given	-	-	-	27.29	-
Gopi Bai Foundation	Enterprises in which KMP are interested	Loan Given	-	13.63	-	0.37	-
Imperial Infin Pvt. Ltd.	Associate	Loan Given	-	-	-	0.00	-
Diamond Business	Enterprises in which KMP are	Loan Given	-	-	-	7.99	2.62

Related Party	Relationship	Nature of Transaction	Year Ended				
			31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
solutions Pvt Ltd.	interested						
Career Point Edutech Limited	Subsidiary	Loan Given	2.15	0.54	1.34	1.24	-
Career Point Publications Limited	Subsidiary	Loan Given	-	-	0.46	0.13	-
Career Point Infra Limited	Subsidiary	Loan Given	325.85	178.01	101.17	-	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Loan taken	-	0.15	61.74	9.60	43.78
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Loan taken	-	-	-	9.60	5.52
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Loan taken	-	-	5.20	9.60	-
Shricon Industries Limited	Enterprises in which KMP are interested	Loan taken	-	-	8.93	-	-
Gopi Bai Foundation	Enterprises in which KMP are interested	Loan taken	-	-	0.87	-	-
Career Point Edutech Limited	Subsidiary	Loan taken	-	2.13	-	-	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Remuneration	1.74	1.74	1.61	1.20	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Remuneration	1.74	1.74	1.61	1.20	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Remuneration	1.74	1.74	1.61	1.20	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Rent Given	0.78	0.78	0.78	0.78	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Rent Given	0.30	0.30	0.30	0.30	0.07
Ms. Shilpa Maheshwari	Relative of Key Managerial Personnel	Rent Given	1.08	1.08	1.08	1.08	-
Ms. Neelima Maheshwari	Relative of Key Managerial Personnel	Rent Given	0.12	0.12	0.12	0.07	-
Ms. Rekha Maheshwari	Relative of Key Managerial Personnel	Rent Given	0.30	0.30	0.30	0.30	-
Mr. Gulab Chand Maheshwari	Relative of Key Managerial Personnel	Rent Given	-	-	0.07	0.06	-
Diamond Business solutions Pvt Ltd.	Enterprises in which KMP are interested	Rent Given	1.20	1.20	0.70	-	-
Om Prakash Maheshwari (HUF)	Enterprises in which KMP are interested	Rent Given	0.96	0.96	0.96	0.96	-
Wellwin Technosoft Private Ltd.	Enterprises in which KMP are interested	Rent Given	0.24	0.14	-	-	-
Mr. Pramod	Key Managerial	Sale/purchase					

Related Party	Relationship	Nature of Transaction	Year Ended				
			31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Maheshwari	Personnel	of Assets	-	-	0.23	2.49	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Sale/purchase of Assets	-	-	-	0.70	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Sale/purchase of Assets	-	-	-	0.73	-
Career Point Edutech Limited	Subsidiary	Shares Acquired	1.50	-	3.50	0.50	-
Career Point Publications Limited	Subsidiary	Shares Acquired	-	-	-	0.50	-
Career Point Infra Limited	Subsidiary	Shares Acquired	-	-	31.00	-	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Shares of Subsidiary sold	-	0.16	-	-	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Shares of Subsidiary sold	-	0.16	-	-	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Shares of Subsidiary sold	-	0.16	-	-	-
Mr. Gulab Chand Maheshwari	Relative of Key Managerial Personnel	Shares of Subsidiary sold	-	0.01	-	-	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Study Material Purchase	-	-	-	-	12.40
Career Point Edutech Limited	Subsidiary	Interest on Loan	0.14	0.06	-	-	-
Career Point Infra Limited	Subsidiary	Interest on Loan	19.41	12.39	-	-	-
Gopi Bai Foundation	Enterprises in which KMP are interested	Repayment of Loan Received	7.84	-	-	-	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Brokerage Received	0.79	-	-	-	-

Annexure XVIII – Restated Standalone Statement of Related Party Transactions

Details of Outstanding Balances

(Amount in Rs. Millions)

Related Party	Relationship	Nature of Transaction	Year Ended				
			31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Imperial Infin Pvt. Ltd.	Associate	Loan Given	-	-	-	0.00	-
Swastika Polyolefins Pvt. Ltd.	Enterprises in which KMP are interested	Loan Given	-	-	-	3.86	3.85
Shricon Industries Limited	Enterprises in which KMP are interested	Loan Given	-	-	-	0.20	-
Wellwin Technosoft Private Ltd.	Enterprises in which KMP are interested	Loan Given	-	-	-	5.92	5.10
Gopi Bai Foundation	Enterprises in which KMP are interested	Loan Given	-	7.60	-	-	-
Career Point Edutech Limited	Subsidiary	Loan Given	2.56	0.53	0.07	1.24	-
Career Point Publications Limited	Subsidiary	Loan Given	-	-	0.01	0.13	-
Career Point Infra Limited	Subsidiary	Loan Given	344.82	195.75	40.75	-	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Loan taken	-	-	-	9.49	5.46
Mr. Pramod Maheshwari	Key Managerial Personnel	Loan taken	-	-	-	9.66	0.09
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Loan taken	-	-	-	9.60	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Remuneration	(0.01)	0.08	-	-	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Remuneration	0.14	0.15	-	-	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Remuneration	0.11	0.12	-	-	-
Rubymerry Enterprises Private Limited	Enterprises in which KMP are interested	Loan taken	-	-	-	0.47	-
Wellwin Technosoft Private Ltd.	Enterprises in which KMP are interested	Rent	0.02	-	-	-	-
Diamond Business solutions Pvt Ltd.	Enterprises in which KMP are interested	Rent	0.09	-	-	-	-

Annexure XIX – Restated Rates of Dividend Paid

(Amount in Rs. Millions)

Particulars	Year Ended									
	31-Mar-10		31-Mar-09		31-Mar-08		31-Mar-07		31-Mar-06	
Share Capital	144.20		120.67		120.67		50.71		11.40	
Dividend Declared:	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.
Final Dividend	-	-	-	-	-	-	15	7.61	15	1.71
Total				-		-		7.61		1.71

AUDITOR'S REPORT

(as required by Part II of Schedule II to the Companies Act, 1956)

To,
The Board of Directors,
Career Point Infosystems Limited,
112-B, Shakti Nagar,
Kota – 324 009,
Rajasthan, India.

Dear Sirs,

1. We have examined the attached Consolidated financial information of Career Point Infosystems Limited ('the Company'), its subsidiaries and associates (the Company, its subsidiaries and Associate constitute 'the Group') as approved by the Board of Directors of the Company and the respective subsidiaries and Associate. This Financial information has been prepared in terms of the requirements of:
 - a. Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act') and
 - b. the Securities and Exchange Board of India ('SEBI') (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the SEBI ICDR Regulations), the related clarifications issued by the Securities and Exchange Board of India ('SEBI') as amended to date and pursuant to Section 11 of the Securities and Exchange Board of India Act, 1992 (the 'SEBI Act')

We have examined such restated financial information taking into consideration:

- a. the terms of our engagement letter dated November 25, 2009, in connection with the offer document being issued by the Company for its proposed Initial Public Offering ('IPO') of equity shares and
 - b. The Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.
2. **Restated Consolidated Statements as per Audited Consolidated Financial Statements**

We have examined the attached 'Consolidated Statement of Assets and Liabilities, as restated' of the Group as at March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure I), the attached 'Consolidated Statement of Profit and losses, as restated' (Annexure II) and 'Consolidated Statement of Cash Flows' (Annexure III) of the Group for the financial year ended March 31, 2010, year ended March 31, 2009, year ended March 31, 2008 and year ended March 31, 2007 together referred to herein as 'Restated Consolidated Statements'. These Restated Consolidated Statements' have been extracted by the management from the consolidated financial statements of the Group as at and for the financial year ended March 31, 2010, year ended March 31, 2009, year ended March 31, 2008 and year ended March 31, 2007 and have been approved by the Board of Directors for those respective periods.

The consolidated financial statements as at and for the year ended March 31, 2010, year ended March 31, 2009, year ended March 31, 2008 and year ended March 31, 2007, were audited by us and are subject to the following:

- i. The financial statements of Parent Company as at and for the period ended March 31, 2007 were audited by P. Khandelwal & Co, Chartered Accountants, whose financial statements reflect as follows:

(Amount in Rs. Million)

Particulars	Total Assets	Total Revenues
Parent Company	253.12	297.14

- ii. In respect of the all the subsidiaries and associates of the Parent Company we did not carry out the audit. The details of assets and revenues in respect of all subsidiaries and the net carrying cost of the investment and current year share of profit and loss of the associates, to the extent to which they are reflected in the consolidated financial statements are as under:

(Amount in Rs. Million)

Year Ended	March 31, 2009		March 31, 2008		March 31, 2007	
	Total Assets	Total Revenues	Total Assets	Total Revenues	Total Assets	Total Revenues
Indian Subsidiary	232.78	0.43	77.86	0.26	2.38	Nil
	Net Carrying Cost of Investment	Current Year's Share of Profit/(Loss)	Net Carrying Cost of Investment	Current Year's Share of Profit/(Loss)	Net Carrying Cost of Investment	Current Year's Share of Profit / (Loss)
Associates	3.38	0.04	3.34	(0.01)	3.35	0.00

Year Ended	March 31, 2010	
	Total Assets	Total Revenues
Indian Subsidiary	382.02	0.01
	Net Carrying Cost of Investment	Current Year's Share of Profit/(Loss)
Associates	3.34	(0.04)

These financial statements and other financial information were audited by other auditors, whose reports were furnished to us by the management of the Group, and our opinion was based solely on the report of these other auditors.

3. Based on our examination of the Restated Consolidated Statements, we state that:
- The changes due to adoption of Accounting Standards which require adjustments to arrive at the Consolidated Restated Statements are given in Annexure IV and statement of tax savings/expenses due to restatement in Annexure IVA.
 - The Restated Consolidated Statements have to be read in conjunction with the 'Significant Accounting Policies' given in Annexure V and 'Notes to the Consolidated Restated Statements' given in 'Annexure VA' to this report.
 - The restated profits/losses have been arrived at after making such adjustments and regroupings as in our opinion are appropriate in the year/period to which they relate;
 - There are no extraordinary items that need to be disclosed separately in the Restated Consolidated Statements.
 - There are no qualifications in the auditors' report on the financial statements that require adjustments to the Restated Consolidated Statements.

4 **Other Financial Information**

We have also examined the following financial information relating to the Group and as approved by the Board of Directors and annexed to this report:

- a. Consolidated Significant Accounting Policies as adopted by the Group and Notes to the Restated Consolidated Statements (Annexure V & VA) as at March 31, 2010;
- b. Consolidated details of Secured and Unsecured Loans as at March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure VI and VI A)
- c. Consolidated details of Loans and Advances as at March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure VII)
- d. Consolidated details of Sundry Debtors as at March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure VIII)
- e. Consolidated details of Investments as at March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure IX)
- f. Consolidated details of Operational Income and Other Income for the financial years ended March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure X and XA)
- g. Consolidated details of Share Capital and Reserves and Surplus as at March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure XI and XIA)
- h. Consolidated details of Cash & Bank Balances as at March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure XII)
- i. Consolidated details of Current Liabilities and Provisions as at March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure XIII)
- j. Consolidated details of Contingent Liabilities as at March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure XIV)
- k. Consolidated Summary of Accounting Ratios relating to earnings per share, return on net worth and net asset value (Annexure XV)
- l. Consolidated Capitalisation Statement as at March 31, 2010 (Annexure XVI)
- m. Consolidated details of Related Party Transactions the financial years ended March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure XVII)
- n. Consolidated details of Dividend paid for the financial years ended March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 (Annexure XVIII)

- 5 Based on our examination of the financial information of the Group attached to this report, we state that in our opinion, the 'Restated Consolidated Statement' and 'Other Financial Information' mentioned above, as at March 31, 2010, year ended March 31, 2009, year ended March 31, 2008 and year ended March 31, 2007 have been prepared in accordance with paragraph B (1) of Part II of Schedule II of the Act the SEBI ICDR Regulations and the SEBI Act.
- 6 This report should not, in any way, be construed as reissuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statement referred to herein.
- 7 This report is intended solely for use of the management and for inclusion in the Offer Document, in connection with the proposed initial public offering of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

SHARP & TANNAN
Chartered Accountants
ICAI Registration No: 000452N
by the hand of

New Delhi,
23rd August, 2010

Pavan K. Aggarwal
Partner
Membership No. 91466

Annexure I – Restated Consolidated Statement of Assets and Liabilities
(Amount in Rs. Million)

PARTICULARS	As at			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A. Fixed Assets				
Gross Block	244.65	206.80	65.92	20.56
Less: Depreciation	12.40	7.05	3.38	1.74
Net Block	232.25	199.75	62.54	18.82
Intangible Assets (Net)	*176.86	73.44	36.14	37.52
Add: Capital WIP	71.58	72.75	88.43	20.58
Total Fixed Assets (A)	480.69	345.94	187.11	76.92
B. Investments : (B)				
- in others	382.11	21.90	13.79	29.16
C. Current Assets, Loans and Advances :				
Inventories	17.43	18.49	9.56	3.53
Sundry Debtors	4.66	23.46	18.00	5.64
Cash and Bank Balances	227.42	132.89	171.95	120.68
Loans and Advances	321.49	185.04	107.06	92.02
Total (C)	571.00	359.88	306.57	221.87
D. Liabilities and Provisions :				
Secured Loans	1.13	52.19	-	-
Unsecured Loans	-	-	0.03	29.27
Deferred Tax Liability	1.87	2.36	1.15	0.92
Current Liabilities	102.18	98.44	82.14	64.95
Provisions	3.62	2.33	1.81	9.52
Total (D)	108.8	155.32	85.13	104.66
E. Miscellaneous Expenditure	15.69	3.75	3.97	1.25
(to the extent not w/off)				
F. Net Worth (A+B+C-D) :	1,325.00	572.40	422.34	223.29
G. Represented by				
Share Capital	144.20	120.67	120.67	50.71
Share Application Money	-	-	-	5.19
Reserves and Surplus	1,196.31	454.05	304.17	168.64
Minority Interest	0.18	1.43	1.47	0.00
Total (G)	1,340.69	576.15	426.31	224.54
H. Net Worth (G-E)	1,325.00	572.40	422.34	223.29

The above Statements should be read with the Significant Accounting Policies and Notes to the Consolidated Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively.

*Intangible Assets includes Leasehold land of Rs 176.84 million and Trademarks of Rs 0.02 million.

Annexure II – Restated Consolidated Statement of Profit and Loss Account

(Amount in Rs. Million)

Particulars	For the Year ended			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Income :				
Education and training income	590.76	397.72	320.15	225.76
Centre Royalty	21.21	42.02	49.13	51.32
Sale of study material	4.63	11.77	10.95	13.66
Other Income	41.82	27.02	30.06	8.97
Total Income	658.42	478.53	410.29	299.71
Expenditure:				
Administrative expenses	147.33	99.38	78.70	50.31
Manpower	208.61	119.07	71.92	45.97
Cost of Study Material Consumed	21.84	17.90	23.76	21.26
Deferred Revenue Expenditure	0.69	0.75	0.83	0.23
Loss on sale of Shares of Associate Company (Rs.597/-)	0.00	-	-	-
Total expenditure	378.47	237.10	175.21	117.77
Earnings before interest, depreciation & tax	279.95	241.43	235.08	181.94
Interest and finance charges	0.33	1.83	0.47	0.02
Depreciation & amortisation	6.61	4.19	2.01	1.33
Profit before tax before prior period items	273.01	235.41	232.60	180.59
Provision for taxation				
Current tax	95.58	83.70	79.17	60.00
Deferred tax	(0.49)	1.21	0.23	0.30
Fringe benefit Tax	-	0.68	0.52	0.20
Profit after tax before prior period items	177.92	149.82	152.68	120.09
Add / (Less): Share of Profit / (Loss) of associate companies	(0.04)	0.04	(0.01)	0.00
Add / (Less): Minority Interest in Income / losses	0.04	0.04	0.03	0.00
Adjustment on account of prior period Items	-	-	-	-
Profit attributable for Shareholders	177.92	149.90	152.70	120.09
Balance brought forward from previous year	339.47	189.57	36.87	10.68
Dividend on shares	-	-	-	7.61
Tax on dividend	-	-	-	1.29
Transfer to general reserve	-	-	-	85.00
Balance carried to balance sheet	517.39	339.47	189.57	36.87

The above Statements should be read with the Significant Accounting Policies and Notes to the Consolidated Statements of Assets and Liabilities, Profits and Losses and Cash Flows, as restated as appearing in Annexure V & VA respectively.

Annexure III – Restated Consolidated Cash Flow Statement
(Amount in Rs. Million)

Particulars	Year Ended			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Cash Flows from Operating Activities				
Net Profit Before Taxation (before minority interest)	273.01	235.41	232.60	180.59
Adjustments for:				
Add / (Less):				
Depreciation	6.60	4.19	2.01	1.33
Share Issue Expenses Written Off	0.69	0.75	0.83	0.23
Interest Expenses	0.33	1.83	0.47	0.02
Provision for gratuity	1.83	0.29	0.72	-
Dividend Income	(18.58)	(2.38)	(2.86)	(1.06)
(Profit) / Loss on sale of shares / Investments	(3.07)	0.37	(2.56)	(0.54)
Interest Income	(17.43)	(17.72)	(21.37)	(7.22)
(Profit) / Loss on sale of fixed assets	-	(1.97)	(2.78)	0.44
Loss from Mutual Fund	-			
Bad Debts Written off	8.38			
Provision for Doubtful Debts	4.24			
Provision for Doubtful advances	1.75			
Security Forfeited	(1.67)			
Operating Profit before Working Capital Changes	256.08	220.77	207.06	173.79
(Increase)/Decrease in Trade and Other Receivables	4.43	(7.43)	(12.86)	0.14
(Increase)/Decrease in Inventories	1.06	(8.93)	(6.03)	(2.77)
(Increase)/Decrease in Other Current Assets	(131.99)	(81.51)	(54.02)	(167.35)
Increase/(Decrease) in Provisions	3.59	(0.46)	19.46	11.89
Increase/(Decrease) in Current Liabilities	1.29	18.27	17.19	60.16
Increase in Miscellaneous Expenditure	(12.63)			
Income- taxes paid	(100.04)	(80.16)	(59.71)	(6.90)
Net Cash Flow from/ (used in) Operating Activities	21.78	60.55	111.09	68.96
Cash Flow from Investing Activities				
Purchase of Fixed Assets (including CWIP)	(141.35)	(176.09)	(113.37)	(37.32)
Sale of Investment/(Investment) in Subsidiary	-	0.50	-	-
Sale/(Purchase) of Other Investments	(357.17)	(8.94)	17.92	(21.19)
Interest Received	17.43	17.72	21.37	7.22
Sale of Fixed Assets	-	15.02	4.45	-
Dividend Received	18.58	2.38	2.86	1.06
Loss From Mutual Fund	-	-	-	-
Net Cash Flow from/ (used in) Investing Activities	(462.51)	(149.41)	(66.77)	(50.23)

Particulars	Year Ended			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Proceeds from Issue of Share Capital (including Premium)	600.00	-	52.80	59.81
Proceeds from Short Term Borrowings	-	52.19	-	23.81
Proceeds from Share Application Money Received	-	-	(5.19)	5.19
Repayment of Short Term Borrowings	(51.05)	(0.03)	(29.24)	-
Payment (to) / from Minority Interest	(1.21)	-	1.50	-
Interest on Loan	(0.33)	(1.83)	(0.47)	(0.02)
Share Issue Expenses Incurred	(12.14)	(0.53)	(3.55)	(1.43)
Dividend Paid	-	-	(7.61)	(1.71)
Corporate Dividend Tax paid	-	-	(1.29)	(0.24)
Net Cash Flow from/ (used in) Financing Activities	535.26	49.80	6.95	85.41
Net increase in cash and cash equivalents	94.53	(39.06)	51.27	104.14
Cash and Cash Equivalents (Opening Balance)	132.89	171.95	120.68	16.54
Cash and Cash Equivalents (Closing Balance)	227.42	132.89	171.95	120.68
Net increase in cash and cash equivalents	94.53	(39.06)	51.27	104.14

Annexure: IV

Statement on Adjustments to Consolidated Audited Financial Statements

(Amount in Rs. Millions)

Particulars	Year Ended			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Profit/(loss) after Tax as per audited statement of accounts	177.92	148.49	156.20	117.80
<u>Add/ (Less):</u> <u>Impact on Changes in accounting policies :</u>				
Amortization on lease hold land	NIL	NIL	0.49	(0.29)
<u>Add/ (Less):</u> <u>Impact on material adjustment and prior period item :</u>				
1.Royalty income	NIL	(1.97)	(0.61)	2.58
2.Security Transaction Tax	NIL	NIL	0.00	(0.00)
3.Advertisement & Labour Expense	NIL	3.38	(3.38)	NIL
Restated Profit/(Loss) after Tax	177.92	149.90	152.70	120.09

Explanatory Notes for these adjustments are discussed below:

- a. During the year ended on March 31, 2008, lands purchased on leasehold basis have been regrouped as “Land-Leasehold” under intangible assets in terms of the provisions of Accounting Standard 26 on Intangible Assets effective from April 1, 2003. The entire amortisation charges of Rs. 0.49 million for the period from the year 2003-04 to 2006-07 has been charged in the audited accounts for the year ended on March 31, 2008. But in the restated accounts the same has been split up/adjusted in the respective years to which they are related. The effects relating to the years 2003-04 to 2005-06 are reflected in the opening balances of consolidated financials of 2006-07.
- b. Prior Period Adjustment – Prior period adjustment as disclosed in the profit and loss account have now been restated and charged to the respective years to which they are related as under :-
 - i) Financial Year 2006-07
Royalty income amounting to Rs 2.58 million pertaining to financial year 2006-07 and security transaction tax of Rs 1,436/- also pertaining to financial year 2006-07.
 - ii) Financial Year 2007-08
Royalty income amounting to Rs. 1.97 million pertaining to financial year 2007-08 and Advertisement and labour expenses amounting to Rs.3.38 million pertaining to financial year 2007-08.
 - iii) Financial Year 2008-09
Royalty income amounting to Rs. 1.79 million pertaining to the half year ended September 30, 2008 and Advertisement and labour expenses amounting to Rs.3.38 million pertaining to the same period.

Annexure – V

Significant Accounting Policies (Consolidated)

1. Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles [“GAAP”] and in compliance with Accounting Standards referred to in Section 211 (3C) and other requirements of the Companies Act, 1956.

The Preparation of financial statements in conformity with GAAP requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as at the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/ advances, future obligations in respect of retirement benefit plans etc. Actual results could differ from these estimates.

The accounts of all subsidiaries and associates have been prepared in compliance with Accounting Standards referred to in Section 211 (3C).

2. Principles of consolidation

The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealized profit / losses on the intra-group transactions, and are presented to the extent possible, in the same manner as the Company’s independent financial statements.

Investments in associate companies have been accounted for, by using the equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the company’s share of net assets of the associate.

3. Revenue Recognition

Revenue is recognized only when it can be reasonably measured and there exists reasonable certainty of its recovery. Fees/income collected in advance for the period subsequent to the accounting period is shown as current liability.

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable for the Group.

Dividend: Dividend income is recognized when the right to receive dividend is established.

4. Employee Benefits

Defined Contribution plan

Group’s contributions paid/ payable during the year to provident fund and employee pension scheme are recognized in the Profit and Loss Account.

5. Fixed Assets

Fixed Assets are stated at cost of recognition/ installation less accumulated depreciation and include directly attributable cost including installation and freight charges for bringing the assets to working condition for intended use.

6. **Depreciation**

Depreciation on assets carried at historical cost is provided on straight-line basis at the rates prescribed under schedule XIV of the Companies Act, 1956.

Depreciation for additions to/deletions from assets is calculated pro-rata from/to the date of addition/deletion.

7. **Impairment of Assets**

- a) At each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:
 - i. The provision for impairment loss required, if any, or
 2. The reversal required of impairment loss recognized in previous periods, if any.
- ii. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating units exceed its recoverable amount.

Recoverable amount is determined:

- i. in the case of an individual asset, at higher of the net selling price or value in use.
- ii. in the case of cash generating unit, at higher of the cash generating unit's net selling price or value in use.

8. **Investments**

- (a) Long term investments are carried at cost after providing for any diminution in value, if such diminution is of permanent nature.
- b. Current investments that are readily realizable and intended to be held for not more than a year are carried at lower of cost or market value. The determination of carrying costs of such investments is done on the basis of specific identification.

8 **Inventories**

Inventories are valued at lower of cost and net estimated realizable value, mainly comprise of publication and printed material. Publication and printed materials have been computed on the basis of estimated cost of materials, labour, cost of conversion and other costs incurred for bringing the inventories to their present location and condition. Cost is determined on FIFO method.

9 **Miscellaneous Expenditure**

Preliminary expenses incurred on formation of the Group and expenses incurred for increase in authorized capital are amortized over a period of 5 years.

10 **Foreign Currency Transactions**

- a. The reporting currency of the group is Indian Rupee.
- b. Foreign currency transactions are recorded on initial recognition in reporting currency, using the exchange rate at the date of transaction. At each Balance sheet, foreign currency monetary items are reported using the closing rate.

The exchange differences arising on settlement of monetary items are recognised as income or expenses in the year in which they arise.

11 **Taxes on Income**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provision of the Income Tax Act, 1961.

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

12 **Provisions, Contingent Liabilities and Contingent Assets**

- a. Provisions are recognised for liabilities that can be measured only by using substantial degree of estimation, if
 - (i) there is a present obligation as a result of past event;
 - (ii) a probable outflow of resources is expected to settle the obligation;
 - (iii) the amount of the obligation can be reliably estimated.
- b. Contingent liability is disclosed in the case of :
 - (i) a present obligation arising from a past event, when it is not probable that an outflow of resource will be required to settle the obligation,
 - (ii) a present obligation when no reliable estimate is possible; and
 - (iii) a possible obligation arising from past events where the probability of outflow of resource is not remote
- c. Contingent Assets are neither recognized, nor disclosed.

Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

As per report attached

SHARP & TANNAN
Chartered Accountants
ICAI Registration no. 000452N
By the hand of

Pavan K. Aggarwal
Partner
Membership No. 91466

New Delhi,
23rd August , 2010

Annexure – V A

Notes forming part of Restated Consolidated Financial Information:

- The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard (AS) 21 “Consolidated Financial Statements”, and Accounting Standard (AS) 23 “Accounting for Investment in Associates in Consolidated Financial Statements”, as specified in the Companies (Accounting Standards) Rules, 2006. The CFS comprises the financial statements of Career Point Infosystems Limited, its subsidiaries and associates. Reference in these notes to Company, Parent Company, Companies and Group shall mean to include Career Point Infosystems Limited or any of its subsidiaries and associates, unless otherwise stated.

The notes and significant policies to the CFS are intended to serve as a guide for better understanding of the Group’s position. In this respect, the company has disclosed such notes and policies which represents the required disclosure.

- The list of the subsidiaries and associates included in the consolidated financials are as under:-

Sr no	Name	Country of incorporation	As at 31-Mar-09		As at 31-Mar-08		As at 31-Mar-07	
			Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Proportion of ownership interest (%)	Proportion of voting power held (%)
	<u>Subsidiaries:</u>							
1	Career Point Edutech Limited	India	72.72	72.72	72.72	72.72	99.99	99.99
2	Career Point Publication Limited	India	-	-	99.99	99.99	99.99	99.99
3	Career Point Infra Limited	India	99.99	99.99	99.99	99.99	-	-
	<u>Associate:</u>							
1	Imperial Infin Private Limited	India	42.74	42.74	42.74	42.74	42.74	42.74
2	Rubymerry Enterprises Private Limited.	India	0.20	50.20	0.20	50.20	-	-

Sr no	Name	Country of incorporation	As at March 31, 2010	
			Proportion of ownership interest (%)	Proportion of voting power held (%)
	<u>Subsidiaries:</u>			
1	Career Point Edutech Limited	India	95	95
2	Career Point Publication Limited	India	-	-
3	Career Point Infra Limited	India	99.99	99.99
	<u>Associate:</u>			
1	Imperial Infin Private Limited	India	42.74	42.74

3. The effect of disposal of subsidiary during the financial year 2009 on the consolidated financial statements is as under:

(Amount in Rs. Millions)

Name of Subsidiary	Effect on Group profit / (loss) after minority interest	Net Assets on date of disposal
Career Point Publications Limited	0.19	0.31

4. Estimated amount of contracts remaining to be executed on capital account (net of advances):

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
Estimated amount of contracts (net of advances)	0.91	2.31	75.38	10.72

5. Borrowing Cost

According to the management of the group, the funds utilized for the purpose of Assets acquired and capitalized/under Work in Progress are generated by internal accruals and equity raised.

6. Segment Reporting

The group operates in one business segment i.e. Learning Solutions. Hence the reporting requirements pertaining to Accounting Standard 17 on “Segmental Reporting” are not applicable

7. Basic and Diluted Earning per share [“EPS”] computed in accordance with Accounting Standard (AS) 20 “Earning per Share”

Particulars	As at 31-Mar-09	As at 31-Mar-08	As at 31-Mar-07
Net profit available to equity shareholders (Rs. million)	149.90	152.70	120.09
Weighted average number of equity shares outstanding during the period for Basic EPS (nos)	12,067,320	11,955,539	4,658,038
Weighted average number of equity shares outstanding during the period for Dilutive EPS (nos)	12,067,320	11,955,539	4,669,048
Total number of equity shares outstanding at the end of the year	12,067,320	12,067,320	5,071,200
Earning Per Share (Basic) (Rs.)	12.42	12.77	25.78
Earning Per Share (Diluted) (Rs.)	12.42	12.77	25.72

Particulars	Year ended March 31, 2010
Net profit available to equity shareholders (Rs. million)	177.92
Weighted average number of equity shares outstanding during the period for Basic EPS (nos)	13,506,072
Weighted average number of equity shares outstanding during the period for Dilutive EPS (nos)	13,506,072
Total number of equity shares outstanding at the end of the year	14,420,297
Earning Per Share (Basic) (Rs.)	13.17
Earning Per Share (Diluted) (Rs.)	13.17

8. Major components of Deferred Tax Assets and Deferred Tax Liabilities:

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
<u>(A) Deferred Tax Liability:</u>				
Difference between book and tax Depreciation	5.08	2.97	1.61	1.04
Reversal for earlier Years	0.31			
<u>(B) Deferred Tax Assets</u>				
Disallowance under Income Tax Act	3.52	0.61	0.46	0.12
<u>(C) Net Deferred Tax Liability</u>	1.87	2.36	1.15	0.92

9. Amount payable to Micro, Small & Medium Enterprises (MSMED Act)

- (a) In spite of absence of a data-base identifying creditors as Micro, Small & Medium Enterprises, the management is of the opinion that there are no parties which can be classified as Micro, Small & Medium Enterprises to whom the company(ies) owe(s) any sum. The Auditors have accepted the representations of the management in this matter.
- (b) The company(ies) will identify the suppliers who are covered under “The Micro, Small & Medium Enterprises Development Act, 2006” on receiving the information from them, after which necessary information as required under the said Act will be complied.

10. Managerial Remuneration

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
Salary	3.60	3.60	3.60	3.60
Allowances	1.63	1.63	1.22	-
Total	5.23	5.23	4.82	3.6

11. Auditors remuneration (excluding service tax and education cess) expenses charged to the accounts:

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
Auditors Remuneration for services rendered:				
a)As Auditor	0.21	0.06	0.06	0.03
b)As adviser in:				
-taxation matters	-	-	-	0.01
-company law matters	-	-	-	-
-management services	-	-	-	-
c)Other services	0.50	-	-	0.01
d) Out of Pocket Expenses	0.02	0.01	0.00	0.00
Total	0.73	0.07	0.06	0.05

12. The Group has classified the various benefits provided to employees as follows:

- (i) Defined Contribution Plans – Provident Fund

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
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Employer's contribution	0.21	0.13	0.17	0.24
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(ii) State Plans – Employer's Contribution to Employees Pension Scheme, 1995.

(Amount in Rs. Millions)

Particulars	Year ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008	Year Ended March 31, 2007
Employer's contribution	0.29	0.25	0.24	0.12

(iii) Defined Benefit Plans:

a. Gratuity

Pursuant to transitional provisions of Accounting Standard 15 (Revised) on Employee Benefits an amount of Rs. 416,896 has been debited to the General Reserve in the FY 2007-08. The said amount represents the difference between the liability in respect of gratuity determined under AS-15 (Revised) as on April 1, 2007 and the liability that existed as on that date as per AS-15 prior to revision.

In accordance with Accounting Standard-15 (revised 2005) actuarial valuation was carried out as at year end in respect of Defined Benefit Plan's – Gratuity on the following assumptions:

Sr No	Particulars	As at March 31, 2010	As at March 31, 2009
i)	Discounting Rate	8.00 %	7.00 %
ii)	Future salary Increase	6.00 %	6.00 %
iii)	Retirement Age	58	58
iv)	Attrition rate	5.00%	5.00%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

In the absence of any investment, description of the basis required to be used to determine the overall expected rate of return on assets including major categories of plan assets has not been given.

Change in present value of the defined benefit obligation

(Amount in Rs. Millions)

Sr No	Particulars	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
a)	Present value of obligation as at the beginning of the period	1.43	1.14	0.42
b)	Acquisition adjustment	-	-	-
c)	Interest cost	0.11	0.08	0.03
d)	Past service cost	-	-	-
e)	Current service cost	1.22	0.61	0.74
f)	Curtailment cost/(Credit)	-	-	-
g)	Settlement cost/(Credit)	-	-	-
h)	Benefits paid	(0.20)	-	-
i)	Actuarial (gain)/loss on obligation	0.50	(0.40)	(0.05)
j)	Present value of obligation as at the end of period.	3.06	1.43	1.14

Changes in the fair value of plan assets

(Amount in Rs. Millions)

Sr No	Particulars	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
a)	Fair value of plan assets at the beginning of the period	-	-	-

Sr No	Particulars	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
b)	Acquisition adjustment	-	-	-
c)	Expected return on plan assets	-	-	-
d)	Contributions	0.20	-	-
e)	Benefits paid	(0.20)	-	-
f)	Actuarial gain/(loss) on plan assets	-	-	-
g)	Fair value of plan assets at the end of the period	-	-	-

Amount recognized in the Balance Sheet

(Amount in Rs. Millions)

Sr No	Particulars	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
a)	Present value of Defined Benefit Obligation			
	- Funded	-	-	-
	- Unfunded	3.06	1.43	1.14
	Total	3.06	1.43	1.14
b)	Less. Fair value of Plan Assets	-	-	-
c)	Amount to be recognized as liability or (asset)	3.06	1.43	1.14

Expense recognized in the statement of profit and loss

(Amount in Rs. Millions)

Sr. No	Particulars	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
a)	Current service cost	1.22	0.61	0.74
b)	Past service cost	-	-	-
c)	Interest cost	0.11	0.08	0.03
d)	Expected return on plan assets	-	-	-
e)	Curtailement cost / (credit)	-	-	-
f)	Settlement cost / (credit)	-	-	-
g)	Net actuarial (gain)/ loss recognized in the period	0.50	(0.40)	(0.05)
h)	Expenses recognized in the statement of profit & losses	1.83	0.29	0.72

Amount for the current year is as follows

(Amount in Rs. Millions)

Particulars	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Defined Benefit Obligation	1.83	1.43	1.14
Plan Assets			
Surplus/ (Deficit)	(1.83)	(1.43)	(1.14)
Experience adjustments on plan liabilities	-	-	-
Experience adjustments on plan assets	-	-	-

13. Share Issue Expenses

Upto March 31, 2010, the company has incurred Rs.14.35 million in connection with the proposed public issue of its equity shares. This amount will be adjusted against securities premium arising from the proposed issue of

equity shares, as permitted under section 78 of Companies Act, 1956. This amount has been carried forward under the head 'Miscellaneous Expenditure' in the Restated Standalone Statements of Assets and Liabilities.

14. Commission and expenditure related to equity share issue incurred during the period amounting Rs 12.14 million has been adjusted against share premium under Reserve and Surplus.
15. The Parent company has given unsecured loans of Rs 69,035,361/- to various parties at the interest rates varying from 6% to 16.8%.
16. Provision for Bonus has been made for Rs.181,974 /- for eligible employees for the year ended 31st March, 2010.
17. Fees received by the company's franchisees are deposited in the franchisee wise bank account of the company. However, company is recording in its books of account only the amount which company is entitle to receive as royalty as per the agreement enter into with the franchisee.
18. The Parent company has temporarily invested/re-invested the amount received as share capital and share premium in liquid debt mutual funds.
19. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2010.
20. During the year ended March 31, 2009 the parent company has obtained secured loan-overdraft facility of Rs. 50.00 million from HDFC Bank against the security of below mentioned property.
 - E-8(2), Road No.1, IPIA, Kota
 - 112A, Shakti Nagar, Kota
 - 112B, Shakti Nagar, Kota

However, no amount has been utilized from the said facility till March 31, 2010.

21. During the year ended March 31, 2010 the parent company has obtained secured loan-overdraft facility of Rs. 90.00 million from HDFC Bank against the security of Fixed Deposit Receipts of Rs.100.00 million issued by HDFC Bank in the name of the Parent company.
22. The management of the group has reviewed the existing assets working conditions and utility as at March 31, 2010, the balance sheet date and are of the opinion that there exists no indication that an asset has been impaired and hence no impairment has been carried out.
23. Un-hedged foreign currency exposures as at March 31, 2010 are as under:

Particulars	Amount (Rs.)
Receivables	Nil
Payables	Nil

24. Figures for the previous period have been regrouped / reclassified wherever necessary.

As per report attached

SHARP & TANNAN
Chartered Accountants
ICAI Registration no. 000452N
By the hand of

Pavan K. Aggarwal
Partner
Membership No. 91466

New Delhi,

Annexure VI – Restated Consolidated Statement of Secured Loans

(Amount in Rs. Millions)

Particulars	Amount Outstanding			As at 31 st March, 2010			
	Year ended	Year ended	Year ended	Sanctioned Amount (Rs million)	Rate of Interest	Repayment Terms	Security
	31-Mar-10	31-Mar-09	31-Mar-08				
HDFC Bank - Overdraft Facility (Note 1)	1.13	52.19	-	90.00	8.00%	-	Against Fixed Deposit Receipts amounting to Rs. 100.00 million in the name of the Parent Company
HDFC Bank - Overdraft Facility (Note 2)	-	-	-	50.00	13.75%	Dropline of Rs. 0.83 million every month plus interest on amount utilized	Against below mentioned property: - E-8(2), Road No.1, IPIA, Kota - 112A, Shakti Nagar, Kota - 112B, Shakti Nagar, Kota
Total	1.13	52.19	-	140.00			-

Note:

1. There were no loans taken by the Group against any security for the financial years 2006-07. As on 31st March, 2008, the sanctioned limit for overdraft was Rs. 36.00 million, during the year ended 31st March, 2009, the sanctioned amount was upgraded to Rs. 88.00 million and during the year ended 31st March, 2010 the sanctioned amount was upgraded to Rs. 90.00 million.
2. This overdraft facility has been sanctioned in financial year 2008-09, however company has not utilized any amount till March 31, 2010.

Annexure VIA – Restated Consolidated Statement of Unsecured Loans

(Amount in Rs. Millions)

Particulars	As at			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
From Directors	-	-	-	28.80
From Others	-	-	0.03	0.47
Total	-	-	0.03	29.27

Note:

During the year 2007-08 unsecured loan of Rs. 28.8 million from director has been converted in to 90,000 equity shares of Rs. 10 each at a premium of Rs. 310.

Annexure VII – Restated Consolidated Statement of Loans and Advances

(Amount in Rs. Millions)

Particulars	As at			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Advances and Loans to-				
- Employees	7.34	2.66	1.73	0.90
Less:-Provision for Doubtful Advances	(0.12)			
Inter Corporate Deposits	-	6.43	5.63	18.84
Deposits with Government Authorities	0.18	1.34	1.77	1.50
Security Deposit against Lease Properties	5.17	5.99	5.29	3.66
Advance Income Tax (Net of Provision for Tax)	18.04	12.66	6.61	2.18
Loans and Advances to Others	69.03	59.56	49.11	49.87
Advances recoverable in Cash or kind or for value to be received	223.48	96.40	36.92	15.07
Less:-Provision for Doubtful Advances	(1.63)			
Total	321.49	185.04	107.06	92.02

Annexure VIII – Restated Consolidated Statement of Sundry Debtors

(Amount in Rs. Millions)

Particulars	As at			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
(Unsecured, considered doubtful)				
- Outstanding for a period less than six months	-	-	-	-
- Outstanding for a period exceeding six months	4.24	-	-	-
(Unsecured, considered good)				
- Outstanding for a period less than six months (Refer Note Below)	3.29	8.53	14.89	4.90
- Outstanding for a period exceeding six months	1.37	14.93	3.11	0.74
Less: Provision for Doubtful debts	(4.24)	-	-	-
Total	4.66	23.46	18.00	5.64

Note:

1. There are no receivables due from promoters/Promoters' group/Directors
2. Debtors for less than six months for the FY 2006-07 includes debtors pertaining to royalty income for FY 2006-07 accounted for in FY 2007-08, as restated
3. Debtors for less than six months for the FY 2007-08 includes debtors pertaining to royalty income for FY 2007-08 accounted for in FY 2008-09, as restated

Annexure IX – Restated Consolidated Statement of Investments
(Amount in Rs. Millions)

Particulars	As at			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Equity Shares of Associates				
Imperial Infin (P) Ltd. (34,000 shares @ Rs. 100 each)	3.40	3.40	3.40	3.40
Rubymerry Enterprises Private Limited (100 shares @ Rs. 10 each)	-	0.00	0.00	-
Add / (Less) : Accumulated share in profit / (loss) of associate companies at the beginning of the year	(0.02)	(0.06)	(0.05)	(0.05)
Add / (Less) : Share in Profit / (loss) (net) of associate companies - current year	(0.04)	0.04	(0.01)	0.00
Total (A)	3.34	3.38	3.34	3.35
Other Investments – Quoted				
Action Financial Services India Ltd	-	-	0.13	-
CHD Developers	-	-	0.07	-
Garnet International Limited	-	-	-	0.02
Vakrangee Software Limited	-	-	-	0.69
GR Cables Limited	-	-	0.05	-
Reliance Power Limited	-	0.22	0.49	-
Sujana Universal Industries Ltd	-	-	0.05	-
IFCI Limited	-	-	0.51	-
NICCO Corporation Limited	-	-	0.09	-
VISU International Limited	-	-	0.05	-
Abhishek Industries Limited	-	0.06	-	-
Aftek Limited	0.11	0.11	-	-
Bank of Maharashtra	-	0.25	-	-
Century Textiles and Industries Limited	-	0.87	-	-
Chambal Fertilizers and Chemicals Limited	-	0.63	-	-
Chennai Petroleum Corporation	-	0.55	-	-
JK Papers	-	0.18	-	-
Jaiprakash Hydro Power Limited	-	0.20	-	-
MRO Tech Limited	-	0.07	-	-
Mahanagar Telephone Nigam Limited	-	1.08	-	-
NIIT Limited	-	1.91	-	-
TATA Elxsi Limited	-	0.20	-	-
TATA Motors Limited	-	0.32	-	-
UCO Bank	-	0.49	-	-
Varun Shipping Company	-	0.17	-	-
Lloyd Electric & Engineering Limited	-	0.05	-	-
SBI Magnum Income Fund	2.05	2.15	-	-
SBI SDF S 90 days 5323710	-	-	-	20.10
UTI Fixed Mt Plan	-	9.00	9.00	5.00
ICICI Pru – Income Opportunity Fund Retail Growth	10.00	-	-	-
LICMF Floating Rate Fund	246.61	-	-	-
UTI-Fixed Income Interval Fund	100.00	-	-	-
ICICI Prudential FMP Series	20.00	-	-	-
Total (B)	378.77	18.52	10.45	25.81

Particulars	As at			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Other Investments – Unquoted				
Share Application Money - R.C. Jain Investment Pvt Ltd	0.00	0.00	-	-
Total (C)	0.00	0.00	-	-
Total (A+B+C)	382.11	21.90	13.79	29.16

Note:

(Amount in Rs. Millions)

	As at			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
<u>Aggregate of Quoted Investments</u>				
Cost	378.77	18.52	10.45	25.81
Market Value	378.74	17.92	9.79	25.73
<u>Aggregate of Unquoted Investments</u>				
Cost	3.34	3.38	3.34	3.35
Total Cost	382.11	21.90	13.79	29.16

Annexure X – Restated Consolidated Statement of Operational Income

(Amount in Rs. Millions)

Particulars	Year Ended			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Education and training income	590.76	397.72	320.15	225.76
Centers Royalty – Upfront	5.17	14.40	13.25	16.86
Centers Royalty – Ongoing	16.04	27.62	35.88	34.46
Sale of study Material	4.63	11.77	10.95	13.66
Total	616.60	451.51	380.23	290.74

Annexure XA – Restated Consolidated Statement of Other Income

(Amount in Rs. Millions)

Particulars	Year Ended			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Interest Received	17.43	17.72	21.37	7.22
Dividend	18.58	2.38	2.86	1.06
Advertisement Income	0.04	0.07	0.25	-
Profit on Sale of Fixed Assets and Shares (Net)	3.08	2.05	5.35	0.54
Forfeiture of Security Deposit	1.67	3.79	-	-
Profit on Sale of Investment in Subsidiary	-	0.19	-	-
Miscellaneous Income	1.02	0.82	0.23	0.15
Total	41.82	27.02	30.06	8.97

Annexure XI – Restated Statement of Share Capital

(Amount in Rs. Millions)

Particulars	Year Ended			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Authorised Share Capital				
Equity Share Capital				
Equity Shares of Rs.10 each	250.00	250.00	250.00	131.50
Issued, Subscribed & Paid Up				
Equity Share Capital				
Equity Shares of Rs.10 each	144.20	120.67	120.67	50.71
Share Application Money Pending Allotment	-	-	-	5.19
Total	144.20	120.67	120.67	55.90

Note:

1. Of the Equity shares of Rs. 10 each comprised in the subscribed and paid-up capital of the company 10,266,120 Equity shares were issued as bonus shares by way of capitalisation of General Reserve Rs. 102.66 million during the FYs 2006-07 and 2007-08.
2. During the FY 2006-07 the company has issued 511,200 equity shares of Rs. 10/- each fully paid up at a premium of Rs. 107/- per share.
3. During the FY 2007-08 the company has issued 60,000 equity shares of Rs. 10/- each fully paid up at a premium of Rs. 390/- per share.
4. During the FY 2007-08 the company has issued 90,000 equity shares of Rs. 10/- each fully paid up have been issued at a premium of Rs.310/- per share in satisfaction of unsecured loan taken from Directors.
6. During the year ended March 31, 2010, the company has allotted 2,011,264 equity shares of Rs 10 each fully paid up at a premium of Rs 238.60 per share in pursuance to an agreement with *Franklin Templeton Asset Management (India) Private Limited* on pari passu basis with the existing issued equity shares in all respect. Further, 341,713 equity shares of Rs 10 each fully paid up at a premium of Rs. 282.64 per share have been allotted on pari passu basis with the existing issued equity shares in all respect.

Annexure XI A – Restated Consolidated Statement of Reserves & Surplus

(Amount in Rs. Millions)

Particulars	As at			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Share Premium	670.33	106.00	106.00	54.70
General Reserve	8.59	8.58	8.60	77.07
Profit & Loss A/c	517.39	339.47	189.57	36.87
Total	1,196.31	454.05	304.17	168.64

Annexure XII – Restated Consolidated Statement of Cash and Bank Balances

(Amount in Rs. Millions)

Particulars	As at			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Cash on Hand	3.98	7.23	2.79	2.62
Balance with Scheduled Banks				
- On Current Account	12.93	6.87	47.99	35.09
- On Deposit Account	210.51	118.79	121.17	82.97
Total	227.42	132.89	171.95	120.68

Annexure XIII – Restated Consolidated Statement of Current Liabilities and Provisions

(Amount in Rs. Millions)

Particulars	As at			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Current Liabilities				
Sundry Creditors	23.93	3.13	5.66	1.23
Other Liabilities				
-TDS & Service Tax Payable	4.80	7.02	3.90	0.76
-Security Deposits	2.83	1.56	2.70	1.78
-Expenses payable	10.83	19.68	14.38	9.38
-Others	0.41	0.01	0.07	0.01
Advance fees from Students and Franchisee	59.38	67.04	55.43	51.79
Total (A)	102.18	98.44	82.14	64.95
Provisions				
Proposed Dividend Including Dividend Tax	-	-	-	8.90
Provision for FBT (Net of Advance Tax)	-	0.04	0.43	0.20
Provision for Wealth Tax	0.56	0.86	0.24	-
Provision for Gratuity	3.06	1.43	1.14	0.42
Total (B)	3.62	2.33	1.81	9.52
Total (A+B)	105.80	100.77	83.95	74.47

Annexure XIV – Restated Consolidated Details of Contingent Liabilities*(Amount in Rs. Millions)*

Particulars	As at			
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
<u>Holding Company</u>				
Demand Notice for Service Tax from Central Excise Department	1.05	4.44	1.77	1.77
Demand Notice for Income Tax from Income Tax department	0.95			
Consumer cases liability in respect of matter in appeal	1.75	1.05	0.50	0.88
Income Tax Search case*				
Total	3.75	5.49	2.27	2.65

- * An undisclosed income amounting to Rs 60,058,330/- has been detected by the Income Tax Department during search & seizure carried on 4th December 2009 under Income Tax Act,1961 in the office premises of the Company as well as the residence of the Executive Directors. Out of this income it is not clearly mentioned as to how much pertains to the Individuals and how much to the Company. Consequently the Contingent liability of the Company in respect of this undisclosed income has become difficult to be ascertained.

Annexure XV – Restated Consolidated Statement of Accounting Ratios (As per AS 20)

(Amount in Rs. Millions)

Sr No	Particulars	Year Ended			
		31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
1	Earning per Equity share(Rs.)				
	-Basic	13.17	12.42	12.77	25.78
	-Diluted	13.17	12.42	12.77	25.72
2	Return on Net Worth (%)	13.43	26.19	36.15	53.78
3	Net Asset value per share (Rs.)	91.88	47.43	35.33	47.82
4	Weighted average number of equity shares outstanding during the period for Basic EPS (nos)	13,506,072	12,067,320	11,955,539	4,658,038
5	Weighted average number of equity shares outstanding during the period for Dilutive EPS (nos)	13,506,072	12,067,320	11,955,539	4,669,048
6	Total shares outstanding at the end of the year (nos)	14,420,297	12,067,320	12,067,320	5,071,200

Notes:

- The above ratios have been computed as under:

$$\text{Basic Earning per Share (Rs.)} = \frac{\text{Net profit available to equity shareholders as restated}}{\text{Total Weighted average number of equity shares outstanding during a period}}$$

$$\text{Dilutive Earning per Share(Rs.)} = \frac{\text{Net profit available to equity shareholders as restated}}{\text{Potential Weighted average number of equity shares outstanding during a period}}$$

$$\text{Return of Net Worth (\%)} = \frac{\text{Net profit after tax as restated}}{\text{Net Worth as restated at the end of the period}}$$

$$\text{Net Asset Value per equity share (Rs)} = \frac{\text{Net Worth as restated at the end of the period}}{\text{No of equity shares outstanding at the end of the year}}$$

- Net profit as restated has been considered for the purpose of computing the above ratios.
- Earnings per share calculations are done in accordance with Accounting Standard 20 on 'Earnings Per Share', issued by the Institute of Chartered Accountants of India.

Annexure XVI – Restated Capitalisation Statement

(Amount in Rs. Million)

Particulars	Pre-Issue	Post Issue (Note 1)
	As At	
	31-Mar-10	
Borrowings:		
Short-term Debt	1.13	
Long-term Debt	-	
Total Debt	1.13	
Shareholder's Funds :		
-Equity Share Capital	144.20	
-Reserves and Surplus	1,196.31	
- Less: Misc. expenses	(15.69)	
Total Shareholder's Funds	1,324.82	
Total Debt Equity ratio	0.00085	

Note:

1. Share capital and reserves and surplus post issue can be ascertained only on conclusion of the book building process.

Annexure XVII – Restated Consolidated Statement of Related Party Transactions

A. List of Related Parties

Key Managerial Personnel (KMP)

31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Mr. Pramod Maheshwari	Mr. Pramod Maheshwari	Mr. Pramod Maheshwari	Mr. Pramod Maheshwari
Mr. Om Prakash Maheshwari	Mr. Om Prakash Maheshwari	Mr. Om Prakash Maheshwari	Mr. Om Prakash Maheshwari
Mr. Nawal Kishore Maheshwari	Mr. Nawal Kishore Maheshwari	Mr. Nawal Kishore Maheshwari	Mr. Nawal Kishore Maheshwari

Relative of Key Managerial Personnel

31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Ms. Shilpa Maheshwari	Ms. Shilpa Maheshwari	Ms. Shilpa Maheshwari	Ms. Shilpa Maheshwari
Ms. Neelima Maheshwari	Ms. Neelima Maheshwari	Ms. Neelima Maheshwari	Ms. Neelima Maheshwari
Ms. Rekha Maheshwari	Ms. Rekha Maheshwari	Ms. Rekha Maheshwari	Ms. Rekha Maheshwari
Mr Gulab Chand Maheshwari	Mr Gulab Chand Maheshwari	Mr Gulab Chand Maheshwari	Mr Gulab Chand Maheshwari
Ms. Kailash Bai	Ms. Kailash Bai	Ms. Kailash Bai	Ms. Kailash Bai
Ms. Radha Rani Nuwal	Ms. Radha Rani Nuwal	Ms. Radha Rani Nuwal	Ms. Radha Rani Nuwal
Mr Govind Nuwal	Mr Govind Nuwal	Mr Govind Nuwal	Mr Govind Nuwal
Mr Vishal Maheshwari	Mr Vishal Maheshwari	Mr Vishal Maheshwari	Mr Vishal Maheshwari
Ms. Neetu Maheshwari	Ms. Neetu Maheshwari	Ms. Neetu Maheshwari	Ms. Neetu Maheshwari
Mr Rahul Nyati	Mr Rahul Nyati	Mr Rahul Nyati	Mr Rahul Nyati

Associate Companies

31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
-	Rubymerry Enterprises Pvt. Ltd.	Rubymerry Enterprises Pvt. Ltd.	-
Imperial Infin Pvt. Ltd.	Imperial Infin Pvt. Ltd.	Imperial Infin Pvt. Ltd.	Imperial Infin Pvt. Ltd.

Enterprises in which Key Managerial Personnel are interested

31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Wellwin Technosoft Pvt Ltd.	Wellwin Technosoft Pvt Ltd.	Wellwin Technosoft Pvt Ltd.	Wellwin Technosoft Pvt Ltd.
Swastika Polyolefins Pvt. Ltd.	Swastika Polyolefins Pvt. Ltd.	Swastika Polyolefins Pvt. Ltd.	Swastika Polyolefins Pvt. Ltd.
Shricon Industries Limited	Shricon Industries Limited	Shricon Industries Limited	Shricon Industries Limited
Gulab Chand Maheshwari (Huf)	Gulab Chand Maheshwari (Huf)	Gulab Chand Maheshwari (Huf)	Gulab Chand Maheshwari (Huf)
Om Prakash Maheshwari (Huf)	Om Prakash Maheshwari (Huf)	Om Prakash Maheshwari (Huf)	Om Prakash Maheshwari (Huf)
Pramod Maheshwari (Huf)	Pramod Maheshwari (Huf)	Pramod Maheshwari (Huf)	Pramod Maheshwari (Huf)
Nawal Kishore Maheshwari (Huf)	Nawal Kishore Maheshwari (Huf)	Nawal Kishore Maheshwari (Huf)	Nawal Kishore Maheshwari (Huf)
Gulab Chand Ramesh Chand, Kota	Gulab Chand Ramesh Chand, Kota	Gulab Chand Ramesh Chand, Kota	Gulab Chand Ramesh Chand, Kota
Maheshwari Trading Company, Kota	Maheshwari Trading Company, Kota	Maheshwari Trading Company, Kota	Maheshwari Trading Company, Kota
Gopi Bai Foundation	Gopi Bai Foundation	Gopi Bai Foundation	Gopi Bai Foundation
Shri Bitthal Traders, Kota	Shri Bitthal Traders, Kota	Shri Bitthal Traders, Kota	Shri Bitthal Traders, Kota
Longway Business Solution Pvt Ltd	Longway Business Solution Pvt Ltd	Longway Business Solution Pvt Ltd	Longway Business Solution Pvt Ltd
Diamond Business solutions Pvt Ltd.	Diamond Business solutions Pvt Ltd.	Diamond Business solutions Pvt Ltd.	Diamond Business solutions Pvt Ltd.
Rubymerry Enterprises Pvt. Ltd.	-	-	-

Annexure XVII – Restated Consolidated Statement of Related Party Transactions

Details of Transactions with Related Parties

(Amount in Rs. Millions)

Related Party	Relationship	Nature of Transaction	Year Ended			
			31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Mr. Pramod Maheshwari	Key Managerial Personnel	Dividend for the year	-	-	-	0.86
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Dividend for the year	-	-	-	0.86
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Dividend for the year	-	-	-	0.86
Ms. Shilpa Maheshwari	Relative of Key Managerial Personnel	Dividend for the year	-	-	-	0.86
Ms. Neelima Maheshwari:	Relative of Key Managerial Personnel	Dividend for the year	-	-	-	0.86
Ms. Rekha Maheshwari	Relative of Key Managerial Personnel	Dividend for the year	-	-	-	0.86
Mr Gulab Chand Maheshwari	Relative of Key Managerial Personnel	Dividend for the year	-	-	-	0.86
Ms. Kailash Bai	Relative of Key Managerial Personnel	Dividend for the year	-	-	-	0.86
Mr. Pramod Maheshwari,	Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28
Ms. Shilpa Maheshwari	Relative of Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28
Ms. Neelima Maheshwari	Relative of Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28
Ms. Rekha Maheshwari	Relative of Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28
Mr. Gulab Chand Maheshwari	Relative of Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28
Ms. Kailash Bai	Relative of Key Managerial Personnel	Issue of Bonus Shares	-	-	7.70	4.28
Mr. Pramod Maheshwari	Key Managerial Personnel	Issue of Shares	-	-	9.60	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Issue of Shares	-	-	9.60	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Issue of Shares	-	-	9.60	-
Mr. Vishal Maheshwari	Relative of Key Managerial	Issue of Shares	-	-	0.40	-

Related Party	Relationship	Nature of Transaction	Year Ended			
			31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
	Personnel					
Ms. Neetu Maheshwari	Relative of Key Managerial Personnel	Issue of Shares	-	-	0.40	-
Mr. Rahul Nyati	Relative of Key Managerial Personnel	Issue of Shares	-	-	0.40	-
Rubymerry Enterprises Private Limited	Enterprises in which KMP are interested	Issue of Shares	-	-	16.00	-
Swastika Polyolefins Pvt. Ltd.	Enterprises in which KMP are interested	Issue of Shares	-	-	1.28	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Loan Given	-	-	-	0.76
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Loan Given	-	-	1.69	0.22
Gulab Chand Ramesh Chand, Kota	Company in which KMP are interested	Loan Given	-	-	0.03	2.00
Rubymerry Enterprises Private Limited	Enterprises in which KMP are interested	Loan Given	-	0.14	23.62	-
Ms. Rekha Maheshwari	Relative of Key Managerial Personnel	Loan Given	-	-	-	1.03
Ms. Kailash Bai	Relative of Key Managerial Personnel	Loan Given	-	-	-	-
Ms. Shilpa Maheshwari	Relative of Key Managerial Personnel	Loan Given	-	-	-	1.16
Ms. Neelima Maheshwari	Relative of Key Managerial Personnel	Loan Given	-	-	-	1.13
Mr Gulab Chand Maheshwari	Relative of Key Managerial Personnel	Loan Given	-	-	-	0.03
Mr. Pramod Maheshwari	Key Managerial Personnel	Loan Given	-	-	-	38.58
Wellwin Technosoft Pvt Ltd.	Enterprises in which KMP are interested	Loan Given	0.10	-	0.70	0.82
Swastika Polyolefins Pvt. Ltd.	Enterprises in which KMP are interested	Loan Given	-	0.15	6.98	0.01
Shricon Industries Limited	Enterprises in which KMP are interested	Loan Given	-	-	-	27.29
Gopi Bai Foundation	Enterprises in which KMP are interested	Loan Given	-	13.63	-	0.37
Imperial Infin Pvt. Ltd.	Associate	Loan Given	-	-	-	0.00
Diamond Business Solutions Pvt Ltd.	Enterprises in which KMP are interested	Loan Given	-	-	-	7.99
Mr. Pramod	Key Managerial	Loan taken				

Related Party	Relationship	Nature of Transaction	Year Ended			
			31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Maheshwari,	Personnel		-	0.15	61.74	9.60
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Loan taken	-	-	-	9.60
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Loan taken	-	-	5.20	9.60
Shricon Industries Limited	Enterprises in which KMP are interested	Loan taken	-	-	8.93	-
Gopi Bai Foundation	Enterprises in which KMP are interested	Loan taken	-	-	0.87	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Remuneration	1.74	1.74	1.61	1.20
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Remuneration	1.74	1.74	1.61	1.20
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Remuneration	1.74	1.74	1.61	1.20
Mr. Pramod Maheshwari	Key Managerial Personnel	Rent Given	0.78	0.78	0.78	0.78
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Rent Given	0.30	0.30	0.30	0.30
Ms. Shilpa Maheshwari	Relative of Key Managerial Personnel	Rent Given	1.08	1.08	1.08	1.08
Ms. Neelima Maheshwari	Relative of Key Managerial Personnel	Rent Given	0.12	0.12	0.12	0.07
Ms. Rekha Maheshwari	Relative of Key Managerial Personnel	Rent Given	0.30	0.30	0.30	0.30
Mr Gulab Chand Maheshwari	Relative of Key Managerial Personnel	Rent Given	-	-	0.07	0.06
Diamond Business Solutions Pvt Ltd.	Enterprises in which KMP are interested	Rent Given	1.20	1.20	0.70	-
Om Prakash Maheshwari(HUF)	Enterprises in which KMP are interested	Rent Given	0.96	0.96	0.96	0.96
Wellwin Technosoft Pvt Ltd.	Enterprises in which KMP are interested	Rent Given	0.24	0.14	-	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Sale/purchase of Assets	-	-	0.23	2.49
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Sale/purchase of Assets	-	-	-	0.70
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Sale/purchase of Assets	-	-	-	0.73
Mr. Pramod Maheshwari	Key Managerial Personnel	Shares of Subsidiary sold	-	0.16	-	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Shares of Subsidiary sold	-	0.16	-	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Shares of Subsidiary sold	-	0.16	-	-

Related Party	Relationship	Nature of Transaction	Year Ended			
			31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Mr Gulab Chand Maheshwari	Relative of Key Managerial Personnel	Shares of Subsidiary sold	-	0.01	-	-
Gopi Bai Foundation	Enterprises in which KMP are interested	Repayment of Loan Received	7.84	-	-	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Brokerage Received	0.79	-	-	-

Annexure XVII – Restated Consolidated Statement of Related Party Transactions

Details of Outstanding Balances

(Amount in Rs. Millions)

Related Party	Relationship	Nature of Transaction	Year Ended			
			31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Imperial Infin Pvt. Ltd.	Associate	Loan Given	-	-	-	0.00
Swastika Polyolefins Pvt. Ltd.	Company in which KMP are interested	Loan Given	-	-	-	3.86
Shricon Industries Limited	Company in which KMP are interested	Loan Given	-	-	-	0.20
Wellwin Technosoft Pvt Ltd.	Company in which KMP are interested	Loan Given	-	-	-	5.92
Gopi Bai Foundation	Company in which KMP are interested	Loan Given	-	7.60	-	-
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Loan taken	-	-	-	9.49
Mr. Pramod Maheshwari,	Key Managerial Personnel	Loan taken	-	-	-	9.66
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Loan taken	-	-	-	9.60
Mr. Om Prakash Maheshwari	Key Managerial Personnel	Remuneration	(0.01)	0.08	-	-
Mr. Pramod Maheshwari	Key Managerial Personnel	Remuneration	0.14	0.15	-	-
Mr. Nawal Kishore Maheshwari	Key Managerial Personnel	Remuneration	0.11	0.12	-	-
Rubymerry Enterprises Private Limited	Associate	Loan taken	-	-	-	0.47
Wellwin Technosoft Private Ltd.	Company in which KMP are interested	Rent	0.02	-	-	-
Diamond Business solutions Pvt Ltd.	Company in which KMP are interested	Rent	0.09	-	-	-

Annexure XVIII – Restated Consolidated Rates of Dividend Paid

(Amount in Rs. Millions)

PARTICULARS	Year Ended							
	31-Mar-10		31-Mar-09		31-Mar-08		31-Mar-07	
Share Capital	144.20		120.67		120.67		50.71	
Dividend Declared:	%	Amt.	%	Amt.	%	Amt.	%	Amt.
Final Dividend	-	-	-	-	-	-	15	7.61
Total		-		-		-		7.61

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our audited standalone restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2007, 2008, 2009 and 2010, in the section titled "Financial Statements" on page 180. The following discussion relates to our Company on a standalone basis, and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.

In addition, the following discussion contains certain forward-looking statements that reflect our current views with regard to our plans, estimates and beliefs. Our actual results may differ materially from those discussed in these forward-looking statements see "Forward-Looking Statements" on page 12. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below as well as in "Risk Factors" on page 13.

Discussion on restated standalone financial statements

The results of operations of our two subsidiary companies, Career Point Edutech Limited and Career Point Infra Limited have not been considered for the purposes of discussion and analysis in this section, as their contribution to the total turnover of the Company, after consolidation, is not considered material. For details, refer to "Auditors' Report-Restated Consolidated Financial Statements" at page F-40. Therefore, only results of operations of our Company based on the restated standalone financial statements, as appearing in "Auditors' Report-Restated Standalone Financial Statements" at page F-1 have been considered for the purposes of discussion and analysis in this section.

Overview of the business of our Company

We are one of the leading providers of tutorial services in India. We provide tutorial services to high school and post high school students for various competitive entrance examinations including All India Engineering Entrance Examination, Indian Institute of Technology –Joint Entrance Examination and All India Pre-Medical Test. The tutorial services are provided through our classroom training programmes conducted through a network of 17 Company Operated Training Centres and 16 Franchisee Centres. We have a team of 231 faculty members as on July 31, 2010 (excluding faculty members of franchisees) comprising of graduates in engineering and science. We have, over a period of time, built our content repository of over 10,000 pages of text content and over 12,000 minutes of video content for various tutorial services offered by us. For students who are not able to attend our regular classroom programme, we offer distance learning programme comprising of correspondence and test series courses which have been systematically designed to provide effective and efficient education to students in a simple and lucid manner.

We plan to use technology as a tool to provide access of our content repository to students across India. To leverage our content repository and to provide a personalized learning environment to our students, we have recorded the lectures of our experienced faculty members through Career Point Knowledge Lab. Further, we have designed and developed Synchro-School programme to synchronize preparation for competitive examination with formal school education.

We have recently forayed into Education Consultancy and Management Services ('ECAMS'), catering to K-12 and Higher Education segments. Further, to address larger base of potential students, we have introduced technology enabled education delivery platform for delivering content through 'TechEdge Class'.

Background

Our Company was incorporated as public limited company on March 31, 2000, under the Companies Act.

The Promoter of our Company, Mr. Pramod Maheshwari has been in the business of tutoring for competitive entrance examinations since 1993 and the business was being administered under proprietorship firms of Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari, our Promoters.

However, during Financial Year 2002, our Promoters started undertaking tutoring services via Franchisee Centres through our Company. Subsequently, from April 1, 2006 we also started providing tutoring services through Company Operated Training Centres.

As on July 31, 2010, we have 17 Company Operated Training Centres and 16 Franchisee Centres. Our standalone restated operating revenues increased to Rs. 616.55 million for the year ended March 31, 2010 from Rs. 451.51 million for corresponding period last year, representing a growth of 37%.

Discussion on Results of Operation

Income

▪ Operating Income

Our Income from Operations consists mainly of education and training income and royalty from franchisees. In addition, we derive a small percentage of our revenues from sale of study materials also.

▪ Other Income

Other income includes income from, among other things, interest earned on bank deposits, dividend income on shares, and profit on sale of fixed assets and shares.

Expenditure

Our expenditure head comprises mainly of employee expenses, study material cost and other administrative and other expenses including advertisement cost.

We account for expenses under the following heads:

▪ Employee expenses

Our payment to and provision for employees consists of salaries to faculty and non-faculty members, provident funds, bonus and other staff welfare expenses like gratuity payments.

▪ Cost of study material

Our cost of study material comprises of printing and publishing cost of course materials that we provide to our students and other publicity material that we use to market our services.

▪ Administration and other expenses

Administrative and other expenses relates to expenses including, among other things, advertisement expense, rent, scholarships, examination expenses, printing and stationery, traveling and conveyance, electricity expenses and other miscellaneous expenses.

▪ Depreciation

This includes depreciation on building, computers, furniture and fixtures, plant and machinery, vehicles etc.

Depreciation on fixed assets has been provided on the straight line method at the rates prescribed under Schedule XIV of the Companies Act.

Depreciation is provided on the following rates on straight line method:

Building	– 1.63%
Computers	– 16.21%
Vehicles	– 9.50%
Furniture & Fixtures	– 6.33%
Plant & Machinery	– 4.75%

Intangible assets comprising of leasehold land are amortised over the lease period.

▪ **Interest and Finance charges**

The finance charges incurred by us include interest charges payable on overdraft facility availed from Bank.

▪ **Taxation**

Provision for current tax is made, based on the tax payable under the relevant statute. Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty of its realization.

Factors Affecting Our Financial Conditions and Results of Operations

Our results of operations and financial conditions are affected by number of factors, including the following, which are of particular importance:

Increase in number of enrollments

Our financials are directly affected by the number of student enrollments at our Company Operated Training Centres and Franchisee Centres across India. During the four months period till July 31, 2010, we have received 28,626 enrollments. During the Financial Years 2010, 2009 and 2008, we enrolled 31,798, 27,710 and 28,016 students respectively, through our classroom training and distance learning programs.

Student Demographics

India has a population base of over 1.1 billion, out of which ~32% is in the age group 0-14 years. Further, public expenditure on education forms ~3.46% of GDP and ~12.73% of the total Government expenditure. The Eleventh Plan places the highest priority on education as a central instrument for achieving rapid and inclusive growth. It presents a comprehensive strategy for strengthening the education sector covering all segments of the education pyramid.

Success of our marketing and sales network

Our results of operations are also dependent upon the spread and service abilities of our marketing and sales network. As on July 31, 2010, we have 17 Company Operated Training Centres and 16 Franchisee Centres across India.

Brand recognition

Brand recognition plays an important role in running our business. The recognition and acceptance of our brand has significant contribution to the success of our business. Keeping the market dynamics in mind, we need to continuously update ourselves to keep upto the expectations of the students. If we are unable to respond in a timely and appropriate manner to the student demands and examination trends, our brand name and brand image may be impaired.

Pricing pressures

Since our Company is operating in a highly competitive environment and has to compete with organized and unorganized players, there is always a pressure to correctly price our course offerings.

Rise in employee cost

Since we operate in competitive service industry which requires employees with specialized service skills, there is always a demand for such employees in the industry and in order to retain them, there is always a pressure on the costs which have to be borne by us.

Adverse Events

There have been no adverse events affecting the operations of our Company occurring within one year prior to the date of filing the RHP with SEBI.

Significant Accounting Policies

Basis of Preparation

The restated standalone summary statement of assets and liabilities, profit and loss and cash flows of Career Point Infosystems Limited (the “Company”) for the years ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006 and the Annexures thereto (collectively, the “Restated Standalone Summary Statements”) have been extracted by the management from the Financial Statements of the Company for the years ended March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 and March 31, 2006.

The Financial Statements have been prepared to comply in all material respects with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006, (as amended). The Financial Statements have been prepared under the historical cost convention on an accrual basis.

Revenue Recognition

Our Company recognizes revenue on accrual basis. Fees / income collected in advance for the period subsequent to the accounting period is shown under current liabilities.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income is recognized when the right to receive the dividend is established.

Defined Contribution Plan

Company’s contributions paid/ payable during the year to provident fund and employee pension scheme are recognized in the Profit and Loss Account

Defined Benefit Plan

Company’s liabilities towards gratuity and leave encashment, are determined using the projected unit credit method which considers each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the statement of Profit and Loss Account as income or expenses. Obligation measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on government bonds where the currency and terms of the Government are consistent with currency and estimated terms of the defined benefit obligation.

Fixed Assets

Fixed Assets are stated at cost of recognition/ installation less accumulated depreciation and include directly attributable cost including installation and freight charges for bringing the assets to working condition for intended use. Depreciation on assets carried at historical cost is provided on straight-line basis at the rates prescribed under schedule XIV of the Companies Act.

Intangible Assets and Amortisation

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 “Intangible Assets” issued by the Institute of Chartered Accountants of India and are amortised as follows:

- Cost of Leasehold land is amortised over the period of lease.

Impairment of Assets

- a. At each Balance Sheet date, the carrying amount of assets is tested for impairment so as to determine:
 - i. The provision for impairment loss required, if any, or
 - ii. The reversal required of impairment loss recognized in previous periods, if any.
- b. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating units exceed its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at higher of the net selling price or value in use.
- In the case of cash generating unit, at higher of the cash generating unit's net selling price or value in use.

Inventories

Inventories are valued at lower of cost and net estimated realizable value, mainly comprising of publication and printed material. Publication and printed materials have been computed on the basis of estimated cost of materials, labour, cost of conversion and other costs incurred for bringing the inventories to their present location and condition. Cost is determined on FIFO method.

Investments

- Long term investments are carried at cost after providing for any diminution in value, if such diminution is of permanent nature.
- Current investments that are readily realizable and intended to be held for not more than a year are carried at lower of cost or market value. The determination of carrying costs of such investments is done on the basis of specific identification.

Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provision of the Income Tax Act, 1961.

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Provisions, Contingent Liabilities and Contingent Assets

- a. Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if
- the company has a present obligation as a result of past event;
 - a probable outflow of resources is expected to settle the obligation;
 - the amount of the obligation can be reliably estimated.
- b. Contingent liability is disclosed in the case of :
- a present obligation arising from a past event, when it is not probable that an outflow of resource will be required to settle the obligation,
 - a present obligation when no reliable estimate is possible; and
 - a possible obligation arising from past events where the probability of outflow of resource is not remote
- c. Contingent Assets are neither recognized, nor disclosed.

Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

Results of Operations

The following table sets forth select financial data from our standalone restated profit and loss accounts for the Financial Years ended March 31, 2010, 2009, 2008 and 2007 , the components of which are also expressed as a percentage of total income for such periods.

	For the year ended							
Rs. in million	March 31, 2010		March 31, 2009		March 31, 2008		March 31, 2007	
	(Rs. in million)	% of Total Operational Income	(Rs. in million)	% of Total Operational Income	(Rs. in million)	% of Total Operational Income	(Rs. in million)	% of Total Operational Income
Income:								
Education and Training Income	590.71	96%	397.72	88%	320.15	84%	225.76	78%
Centre Royalty	21.21	3%	42.02	9%	49.13	13%	51.32	18%
Sale of study material	4.63	1%	11.77	3%	10.95	3%	13.66	5%
Total Operational Income	616.55	100%	451.51	100%	380.23	100%	290.74	100%
<i>y-o-y growth in %</i>	<i>37%</i>		<i>19%</i>		<i>31%</i>		<i>435%</i>	
<i>Less:</i>								
Manpower Cost	208.20	34%	118.95	26%	72.05	19%	45.97	16%
Other Expenses	169.14	27%	117.39	26%	102.68	27%	71.79	25%
EBITDA	239.21	39%	215.17	48%	205.50	54%	172.98	60%
<i>Less:</i>								

	For the year ended							
Rs. in million	March 31, 2010		March 31, 2009		March 31, 2008		March 31, 2007	
	(Rs. in million)	% of Total Operational Income	(Rs. in million)	% of Total Operational Income	(Rs. in million)	% of Total Operational Income	(Rs. in million)	% of Total Operational Income
Interest and finance charges	0.33	0%	1.83	0%	0.47	0%	0.02	0%
Depreciation	6.55	1%	4.19	1%	2.01	1%	1.33	0%
Add:								
Other Income	61.46	10%	38.85	9%	31.43	8%	8.97	3%
Profit Before Tax	293.79	48%	248.00	55%	234.45	62%	180.60	62%
Less:								
Provision for Taxation	95.10	15%	85.59	19%	79.92	21%	60.50	21%
Profit After Tax	198.69	32%	162.41	36%	154.53	41%	120.10	41%
y-o-y growth in %	22%		5%		29%		715%	

Financial Year 2010 compared to Financial Year 2009

Income from Operations: Our income from operations increased by 37% to Rs. 616.55 million for FY10 from Rs. 451.51 million for FY09, primarily due to increase in enrollments at Company Operated Training Centres and an increase in per student realization on account of an increase in our course fees. During FY10, we had about 31,798 students registered for our various classroom and distance learning programs as against nearly 27,710 students registered during FY09. The increase in total number of student enrollments was primarily due to an increase in enrollments at our Kota and Jaipur centres. Our royalty from franchisees reduced by 50% to Rs 21.21 million for FY10 as compared to Rs 42.02 million in FY09 as we reduced our dependency on non-performing franchisees by not renewing the franchisee agreement.

Our education and training income increased by 49% to Rs 590.71 million in FY10 as compared to Rs 397.72 million in FY09 primarily due to increase in student enrollments at Company Operated Training Centres.

Other Income: Our other income increased by 58% to Rs. 61.46 million for FY10 from Rs. 38.85 million for FY09, primarily due to increase in dividend and interest income.

Total Expenditure: Our total expenditure increased by 60% to Rs. 377.34 million for FY10 from Rs. 236.34 million for FY09 primarily due to an increase in employee cost and administrative expenses.

Advertisement expenses: Our advertisement expenditure increased by 26% to Rs 61.88 million for FY10 from Rs 48.22 million for FY09. This was primarily due to advertisement expenditure incurred for existing centres and promoting five new Company Operated Training Centres opened during the year.

Employee Cost: Our employee cost increased by 75% to Rs. 208.20 million for FY10 from Rs. 118.95 million for FY09 primarily due to increase in the number of employees as part of our growth and expansion plan and an increase in salaries of our faculty members and administrative staff.

Interest and Financial Charges: Our interest expenses decreased to Rs. 0.33 million for FY10 from Rs.

1.83 million for FY09 due to a decrease in availment of overdraft against fixed deposit.

Depreciation: Our depreciation charge increased by 56% to Rs. 6.55 million for FY10 from Rs. 4.19 million for FY09 primarily due to addition in fixed assets.

Provision for Taxation: Our provision for taxes increased by 11% to Rs. 95.10 million for FY10 from Rs. 85.59 million for FY09.

Net Profit, as Restated: Our profit after tax, as restated, increased by 22% to Rs. 198.69 million for FY10 from Rs. 162.41 million for FY09.

Reserves & Surplus

The following table sets forth our Reserves and Surplus as of March 31, 2009 and March 31, 2010
(Rs. million)

	As on March 31, 2010	As on March 31, 2009
Reserves & Surplus	1,231.49	468.46

Increase in “Reserves and Surplus” of Rs 763.03 million during the period March 31, 2009 to March 31, 2010 was on account of increase in share premium of Rs 564.33 million and net profit for the period of Rs 198.69 million.

Current Liabilities

The following table sets forth our Current Liabilities as of March 31, 2009 and March 31, 2010.
(Rs. million)

	As on March 31, 2010	As on March 31, 2009
Current Liabilities	100.07	95.59

Increase in Current liabilities of Rs 4.48 million during the period March 31, 2009 to March 31, 2010 was primarily on account of increase in Sundry Creditors from Rs. 3.13 million as on March 31, 2009 to Rs. 23.93 million as on March 31, 2010. The same was partially offset by a decrease in expenses payable and a decrease in Advance fees from Students and Franchisees.

Financial Year 2009 compared to Financial Year 2008

Income from Operations: Our income from operations increased by 19% to Rs. 451.51 million for FY09 from Rs. 380.23 million for FY08, primarily due to increase in enrollments at Company Operated Training Centres and an increase in per student realization on account of an increase in our course fees. During FY09, we had about 27,710 students registered for our various classroom and distance learning programs as against nearly 28,016 students registered during FY08. The decrease in total number of student enrollments was primarily due to a decrease in enrollments at our Franchisee Centres which was in line with our objective of focusing on select key performing franchisees and reducing the dependence on and termination of the franchisees not performing upto our expectations. Our royalty from franchisees reduced by 14% to Rs 42.02 million for FY09 as compared to Rs 49.13 million FY08 as we reduced our dependency on non-performing franchisees by not renewing the franchisee agreement.

Our education and training income increased by 24% to Rs 397.72 million FY09 as compared to Rs 320.15 million FY08 primarily due to increase in student enrollments at Company Operated Training Centres. We added five new Company Operated Training Centres at Jaipur, Nagpur, Noida, Delhi and Kapurthala which also contributed towards growth in enrollments and revenues.

Other Income: Our other income increased by 24% to Rs. 38.85 million for FY09 from Rs. 31.43 million for FY08, primarily due to increase in interest income by 31% to Rs 29.83 million.

Total Expenditure: Our total expenditure increased by 35% to Rs. 236.34 million for FY09 from Rs.

174.73 million for FY08 primarily due to an increase in employee cost and administrative expenses.

Advertisement expenses: Our advertisement expenditure increased by 26% to Rs 48.22 million for FY09 from Rs 38.13 million for FY08. This was primarily due to advertisement expenditure incurred for promoting five new Company Operated Training Centres opened during the year.

Employee Cost: Our employee cost increased by 65% to Rs. 118.95 million for FY09 from Rs. 72.05 million for FY08 primarily due to increase in the number of employees as part of our growth and expansion plan and an increase in salaries of our faculty members and administrative staff.

Interest and Financial Charges: Our interest expenses increased to Rs. 1.83 million for FY09 from Rs. 0.47 million for FY08 due to an increase in interest costs on loan overdraft facility availed against fixed deposits.

Depreciation: Our depreciation charge increased by 108% to Rs. 4.19 million for FY09 from Rs. 2.01 million for FY08 primarily due to addition in fixed assets.

Provision for Taxation: Our provision for taxes increased by 7% to Rs. 85.59 million for FY09 from Rs. 79.92 million for FY08.

Net Profit, as Restated: Our profit after tax, as restated, increased by 5% to Rs. 162.41 million for FY09 from Rs. 154.53 million for FY08. We have restated our financial statements to take into account certain adjustments from the prior financial years. For further details, see “Statement on adjustments to audited financial statements” in Annexure IV to the restated standalone financial statements presented in this Red Herring Prospectus.

Fixed Assets

The following table sets forth our gross block / net block as of March 31, 2009 and March 31, 2008:

(Rs. million)

	As on March 31, 2009	As on March 31, 2008
Gross Block	79.71	35.59
Net Block	72.67	32.21
Intangible Assets (Net)	73.44	36.14
Capital WIP	69.66	56.76

As of March 31, 2009, we had a net block of fixed assets of Rs 72.67 million as compared to Rs 32.21 million. The same was on account of additions to building and office furniture and fixtures, the details of which is given below:

- Infrastructure cost incurred for expansion of Company Operated Training Centre at Jaipur.
- Purchase of furniture and fixtures for Company Operated Training Centres at Kota, Alwar, Jaipur, Delhi, Nagpur, Noida, Udaipur and Jodhpur.
- Installation of VSAT equipments and other plant and machineries for various Company Operated Training Centres.
- Increase in Capital WIP on account of cost incurred on building and furniture and fixtures towards expansion of tutoring facility in Kota.

The increase in intangible assets between FY2008 and FY2009 was primarily on account of acquisition of leasehold premises.

Financial Year 2008 Compared to Financial Year 2007

Income from Operations:

Our income from operations increased by 31% to Rs. 380.23 million for FY08 from Rs. 290.74 million for FY07, primarily due to increase in enrollments at Company Operated Training Centres and an increase in per student realization on account of an increase in our course fees. During FY08, we had about 28,106

students registered for our various classroom and distance learning programs as against nearly 25,253 students registered during FY07.

Our education and training income increased by 42% to Rs 320.15 million for FY08 as compared to Rs 225.76 million for FY07 primarily due to increase in student enrollments at Company Operated Training Centres. We added two new Company Operated Training Centres one each at Jaipur and Jodhpur which also contributed towards the growth in enrollments and revenues.

Other Income: Our other income increased by 250% to Rs. 31.43 million for FY08 from Rs. 8.97 million for FY07, primarily due to an increase in interest income by 215% to Rs 22.74 million and dividend income by 269% to Rs 2.86 million.

Total Expenditure: Our total expenditure increased by 48% to Rs. 174.73 million for FY08 from Rs. 117.76 million for FY07 primarily due to an increase in employee cost and administrative expenses.

Advertisement expenses: Our advertisement expenditure increased by 46% to Rs 38.12 million for FY08 from Rs 26.08 million for FY07 due to aggressive marketing activities undertaken by our Company. In addition, higher advertisement expenditure was also on account of advertising cost incurred for promoting two new Company Operated Training Centres opened during the year.

Employee Cost: Our employee cost increased by 57% to Rs. 72.05 million for FY08 from Rs. 45.97 million for FY07 primarily due to increase in the number of employees from as part of our growth and expansion plan and an increase in salaries of our faculty members and administrative staff.

Interest and Financial Charges: Our interest expenses increased to Rs. 0.47 million for FY08 from Rs. 0.02 million for FY07 due to interest expenses incurred on overdraft facility availed from Bank.

Depreciation: Our depreciation charge increased by 51% to Rs. 2.01 million for FY08 from Rs. 1.33 million for FY07 primarily due to addition in fixed assets.

Provision for Taxation: Our provision for taxes increased by 31% to Rs. 79.92 million for FY08 from Rs. 60.50 million for FY07.

Net Profit, as Restated: Our profit after tax, as restated, increased by 29% to Rs. 154.53 million for FY08 from Rs. 120.10 million for FY07. The increase in balance carried to Balance Sheet from FY07 of Rs. 36.86 million to FY08 of Rs. 191.39 million is on account of net profit earned during the period amounting to Rs. 154.53 million. We have restated our financial statements to take into account certain adjustments from the prior financial years. For further details, see “Statement on adjustments to audited financial statements” in Annexure IV to the restated standalone financial statements presented in this Red Herring Prospectus.

Sundry Debtors

The following table sets forth our ‘Sundry Debtors’ as on March 31, 2008 and March 31, 2007.

(Rs. million)

	As on March 31, 2008	As on March 31, 2007
Sundry Debtors	18.00	5.64

As on March 31, 2008, we had sundry debtors amounting to Rs. 18 million as compared to Rs. 5.64 million as on March 31, 2007. The increase in sundry debtors was on account of increase in receivables from franchisee centres.

Financial Condition, Liquidity and Capital Resources

We broadly define liquidity as our ability to generate sufficient funds mainly from internal resources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate

equity and debt financing and loans. Therefore, liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long range business objectives.

We have been historically financing our capital requirements primarily through funds generated from our operations. Our primary capital requirements have been towards development of infrastructure, training centres and technology utilized for tutoring. We believe that we will have sufficient resources from our operations and net proceeds of this offering of Equity Shares to meet our capital requirements for at least the next 12 months. We may also from time to time seek other sources of funding, which may include debt or equity financings, including rupee-denominated loans from Indian banks, depending on its financing needs and market conditions.

Our Borrowings

Based on our restated standalone financial statements, as of March 31, 2010, we had Rs 1.13 million of secured loans outstanding. These loans are in the nature of overdraft facility from Bank against fixed deposits of our Company.

Cash Flows

The table below summarizes our cash flows for the Financial Years 2010, 2009, 2008 and 2007:

(Rs. in million)				
As at	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Net cash generated from / (used in) operating activities (A)	-1.33	-19.80	80.71	68.69
Net cash generated from / (used in) investing activities (B)	-441.78	-66.54	-38.40	-54.80
Net cash generated from / (used in) financing activities (C)	536.47	49.65	7.70	85.47
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	93.36	-36.69	50.01	99.36
Cash and cash equivalents at the end of the period	226.16	132.80	169.49	119.48

▪ *Net Cash from Operating Activities*

Net Cash used in operating activities for the year ended March 31, 2010 was Rs 1.33 million and our operating profit before working capital changes for that period was Rs 256.80 million. Operating profit before working capital changes consisted of net profit before taxation of Rs. 293.79 million, adjusted for non cash items of depreciation of Rs. 6.55 million, bad-debts and share issuance expenses written-off of Rs. 8.71 million, finance expenses of Rs. 0.33 million, provision for gratuity, doubtful debts and doubtful advances of Rs. 7.82 million, dividend and interest income of Rs 55.56 million and profit on sale of shares and other investments of Rs 3.17 million. Cash inflows were increased by Rs. 5.49 million as a result of decrease in inventories and receivables and an increase in current liabilities and provisions of Rs 5.63 million. Cash inflows were reduced by increase in other current assets of Rs 156.56 million and an increase in miscellaneous expenditure of Rs. 12.64 million. Income Tax paid for the period was Rs 100.05 million.

Net Cash used in operating activities for the year ended March 31, 2009 was Rs 19.80 million and our operating profit before working capital changes for that period was Rs 220.88 million. Operating profit before working capital changes consisted of net profit before taxation of Rs. 248.00 million, adjusted for non cash items of depreciation of Rs. 4.19 million, share issuance expense write-off of Rs. 0.29 million, finance expenses of Rs. 1.83 million, provision for gratuity of Rs. 0.29 million, dividend and interest income of Rs 32.12 million, profit on sale of fixed assets of Rs 1.97 million and loss on sale of shares of Rs 0.37 million. Cash inflows were reduced by increase in other current assets of Rs. 150.40 million, an increase in inventories of Rs 8.93 million and an increase in trade and other receivables of Rs 5.48 million. Cash inflows were increased by an increase in current liabilities and provisions of Rs 13.39 million. Income

Tax paid for the period was Rs 89.26 million. The increase in current liabilities was primarily due to advance fees received from students. Increase in other current assets was due to loans given to subsidiary companies.

Net Cash from operating activities in the year ended March 31, 2008 was Rs 80.71 million and our operating profit before working capital changes for that period was Rs 207.06 million. Operating profit before working capital changes consisted of net profit before taxation of Rs. 234.45 million, adjusted for non cash items of depreciation of Rs. 2.01 million, share issuance expense write-off of Rs. 0.35 million, finance expenses of Rs. 0.47 million, provision for gratuity of Rs. 0.72 million, dividend and interest income of Rs 25.60 million, profit on sale of fixed assets of Rs 2.78 million and profit on sale of shares of Rs 2.56 million. Cash inflows were reduced by increase in other current assets of Rs. 38.25 million, an increase in inventories of Rs 6.03 million and an increase in trade and other receivables of Rs 12.38 million. Cash inflows were increased by an increase in current liabilities and provisions of Rs 16.75 million. Income Tax paid for the period was Rs 86.44 million. The increase in current liabilities was primarily due to increase in sundry creditors, expenses payable and advance fees received from students. Increase in other current assets was due to loans given to subsidiary companies.

Net Cash from operating activities in the year ended March 31, 2007 was Rs 68.69 million and our operating profit before working capital changes for that period was Rs 173.83 million. Operating profit before working capital changes consisted of net profit before taxation of Rs. 180.60 million, adjusted for non cash items of depreciation of Rs. 1.33 million, share issuance expense write-off of Rs. 0.22 million and finance expenses of Rs. 0.02 million, dividend and interest income of Rs 8.28 million, profit on sale of fixed assets of Rs 0.44 million and profit on sale of shares of Rs 0.54 million. Cash inflows were reduced by increase in other current assets of Rs. 61.92 million and an increase in inventories of Rs 2.77 million. Cash inflows were increased by an increase in current liabilities of Rs 18.95 million. Income Tax paid for the period was Rs 59.50 million. The increase in current liabilities was primarily due to increase in sundry creditors, expenses payable and advance fees received from students. Increase in other current assets was due to inter-corporate deposits and loans given to others.

▪ *Net Cash from Investing Activities*

For the year ended March 31, 2010, our net cash used in investing activities was Rs. 441.78 million. This mainly reflected Rs 138.66 million used for the purchase of fixed assets (including capital advances) and Rs 357.17 million invested in interest bearing liquid mutual fund schemes. This was partially offset by increases in interest and dividend income.

For the year ended March 31, 2009, our net cash used in investing activities was Rs. 66.54 million. This mainly reflected Rs. 98.94 million used for the purchase of fixed assets (including capital advances) and Rs 6.30 million used for purchase of securities. This was partially offset by increases in interest and dividend income and sale of certain fixed assets.

For the year ended March 31, 2008, our net cash used in investing activities was Rs. 38.40 million. This mainly reflected Rs. 51.87 million used for the purchase of fixed assets (including capital advances) and Rs. 34.50 million utilized towards equity investment in our Subsidiaries. This was partially offset by increases in interest and dividend income and sale of certain fixed assets and investments.

For the year ended March 31, 2007, our net cash used in investing activities was Rs. 54.80 million. This mainly reflected Rs. 37.32 million used for the purchase of fixed assets (including capital advances) and Rs. 24.76 million invested in mutual fund schemes. This was partially offset by increases in interest and dividend income.

▪ *Net Cash from Financing Activities*

For the year ended March 31, 2010, our net cash from financing activities was Rs. 536.47 million which consists of proceeds from issuance of Equity Shares amounting to Rs 600 million, partly offset by repayment of short term borrowings of Rs 51.06 million, share issuance expenses of Rs 12.14 million and interest on short term borrowing of Rs 0.33 million.

For the year ended March 31, 2009, our net cash from financing activities was Rs. 49.65 million. This primarily reflected Rs. 52.19 million received from issuance of Equity Shares, partly offset by interest on overdraft of Rs 1.83 million and share issuance expenses of Rs 0.71 million.

For the year ended March 31, 2008, our net cash from financing activities was Rs 7.70 million. This primarily reflected Rs. 52.80 million from issuance of Equity Shares, partially offset by Rs 8.90 million utilized for dividend payment and tax thereon, repayment of Rs 29.27 million of unsecured loan, refund of share application money of Rs 5.19 million, interest on borrowings of Rs 0.47 million and share issuance expenses of Rs 1.27 million.

For the year ended March 31, 2007, our net cash from financing activities was Rs 85.47 million. This primarily reflected Rs. 59.81 million from issuance of Equity Shares, Rs 5.19 million towards share application money and Rs 23.81 million from unsecured loan. This was partially offset by Rs 1.95 million utilized for dividend payment and tax thereon, share issuance expenses of Rs 1.37 million and interest on loan of Rs 0.02 million.

Financial Condition

Other Investments

The following table sets forth our Other Investments as of March 31, 2009 and March 31, 2010

(Rs. million)

	As on March 31, 2010	As on March 31, 2009
Other Investments	380.12	19.77

As on March 31, 2010, we had other investments of Rs. 380.12 million as compared to Rs. 19.77 million as on March 31, 2009. The increase in other investments was primarily on account of temporary deployment of excess funds as we have received equity investments of Rs. 600 million during FY10 and ‘Advance fees from students and franchisee’ of Rs 59.38 million during the year ended March 31, 2010.

Unsecured Loans

The following table sets forth our ‘Unsecured Loan’ as on March 31, 2007 and March 31, 2006.

(Rs. million)

	As on March 31, 2007	As on March 31, 2006
Unsecured Loan		
- From Directors	28.80	5.46
- From Others	0.47	-
	29.27	5.46

As on March 31, 2007, we had unsecured loans totaling to Rs. 29.27 million as compared to Rs. 5.46 million as March 31, 2006. The increase in unsecured loans was on account of loans taken from our Promoter Directors and one of our group companies.

Transactions with Related Parties

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our associates and certain key management members on an arm’s lengths basis. Such transactions could be for lease of assets or property, sale or purchase of Equity Shares or entail incurrence of indebtedness. For details of our related party transactions, see “Financial Statements – Related Party Transactions” at page F-32.

Off Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the

purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodities risk.

Interest Rate Risk

Our Company has obtained secured loan-overdraft facility against our fixed deposit receipts to meet our working capital requirements and also maintains deposits of cash and cash equivalents with banks and thus is exposed to market risk as a result of changes in interest rates.

Inflation

In recent years, although India has experienced fluctuations in inflation rates, inflation has not had material impact on our business and results of operations.

Information required as per Item IX(E) of Part A of Schedule VIII of the SEBI Regulations

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

Unusual or infrequent events or transactions

There have been no unusual or infrequent transactions that have taken place during the last three years.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Any changes in tax structure, may affect the profitability. Except the above, there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

Known trends or uncertainties

Other than as described in the section titled “Risk Factors” and Management’s Discussion and Analysis of Financial Conditions and Results of Operations” at page 13 and 181 respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income from continuing operations.

Future changes in relationship between costs and revenues

Other than as described in the section titled “Risk Factors” and Management’s Discussion and Analysis of Financial Conditions and Results of Operations” at page 13 and 181 respectively, to our knowledge there are no future relationship between costs and revenues that have or had or are expected to have a material adverse impact on our operations and finances.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Changes in income from operations during the last three years are as explained in this section titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” at page 181.

New products or business segment

We have entered into an agreement with Gopi Bai Foundation Trust Kota (Raj.), a registered public charitable trust to provide services which shall include but not be limited to providing administrative

services, human resource management services, develop and provide information technology related services including training etc in the field of education. Gopi Bai Foundation Trust Kota (Raj.) will provide the necessary premises / infrastructure to enable the Company to provide the management services. For further details on our Business Strategy, see the paragraph titled “Growth Strategies” at page 117.

Seasonality of business

The tutoring business of our Company is seasonal in nature, the enrollments are higher in the first and second quarter of the Financial Year as compared to the third and forth quarter.

Significant dependence on single supplier /customer

We are not dependent on a single customer or a small group of suppliers or customers for our revenues.

Competitive conditions

We face competition from both organized and unorganized players in the education sector and we expect the same to intensify. For further details, please refer to the discussions of our competition in the sections “Risk Factors” and “Our Business” at page 17 and 124.

Significant developments after March 31, 2010

In compliance with AS-4, to our knowledge no circumstances except as disclosed in this Red Herring Prospectus have arisen since the date of the last financial statements contained in this Red Herring Prospectus which materially and adversely affect or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Secured Borrowings of our Company

Given below is the summary of our secured borrowings as on July 31, 2010:

Name of Lender	Facility & Loan Documentation	Amount Sanctioned (Rs. in million)	Amount Outstanding (Rs. in million)	Interest Rate (%)	Tenure	Repayment Schedule	Security/ Guarantees
HDFC Bank Limited	Overdraft facility agreement dated January 2, 2008	50 (34.99 is the available drawing limit as on July 31, 2010)	Nil	13.75% per annum	60 months	Dropline of Rs. 834,000 every month plus monthly interest on amount utilized	Our Company has provided the following properties as security against the overdraft facility: (a) E-8(2), Road No. 1, IPIA, Kota (b) 112A, Shakti Nagar, Kota (c) 112B, Shakti Nagar, Kota
HDFC Bank Limited	Loan agreement dated August 20, 2009 against fixed deposit	90 (81.09 is the available drawing limit as on July 31, 2010)	Nil	1% over and above the interest rates prevailing for fixed deposits per annum	12 months	Not Applicable	1. Continuing demand promissory note dated August 20, 2009 for an amount of Rs. 90 million. 2. Fixed deposit receipts of Rs. 100 million.
Yes Bank Limited	Facility letter dated July 12, 2010	100	Nil	Nil	12 months or fixed deposit expiry date whichever is earlier.	Not applicable	1. Continuing demand promissory note for an amount of Rs. 100 million. 2. Fixed deposit receipts of Rs. 100 million.

Material covenants

The overdraft facility agreement dated January 2, 2008 with HDFC Bank provides for certain restrictive covenants, material ones of which are summarized below:

- (i) The Company cannot stand surety for anybody or guarantee the repayment of any overdraft facility;
- (ii) The Company cannot permit any change in either its ownership or control which results in the effective beneficial ownership of the Company changing;
- (iii) The Company cannot make any amendments to its Memorandum and Articles of Association;
- (iv) The Company cannot enter into or decide to enter into any scheme of merger, amalgamation, compromise or reconstruction without the prior written consent of HDFC Bank;
- (v) The Company cannot declare any dividend if any installment towards principal or interest remains unpaid on its due date; and

- (vi) The Company cannot utilise the overdraft facility for any speculative or anti-social or illegal purpose.

A material covenant in the facility letter dated July 12, 2010 with Yes Bank Limited restricts our Company from inducting on its Board, a person who is a director on the board of a company which has been declared as a wilful defaulter.

Unsecured borrowings of our Company

Our Company does not have any unsecured borrowings.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below (i) there are no outstanding litigations, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, our Subsidiaries, Directors, Promoters and Group Companies and entities or against any other company whose outcome could have a materially adverse effect on the business, operations or financial position of our Company, and (ii) there are no defaults including non-payment or overdue of statutory dues, over-dues to banks or financial institutions, defaults against banks or financial institutions or rollover or rescheduling of loans or any other liability, defaults in dues payable to holders of any debenture, bonds and fixed deposits or arrears on cumulative preference shares issued by our Company, Promoters and Group Companies and entities, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part I of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company or our Subsidiary except as stated below, and (iii) no disciplinary action has been taken by SEBI or any stock exchange against our Company, Subsidiaries, Promoters, Group Companies and entities or Directors.

Further, (i) neither our Company nor our Promoters, Subsidiaries, members of our Promoter Group, Group Companies and entities, and Directors, have been declared as wilful defaulters by the RBI or any other governmental authority and, (ii) except as disclosed in this section, there are no violations of securities laws committed by them or penalties imposed on them thereunder in the past or pending against them, and adverse findings regarding compliance with securities laws.

Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus

A. Litigation involving our Company

Outstanding litigation and material developments/proceedings against our Company

1. Compounding of Offences

(i) Compounding of offence under section 621A read with section 292A of the Companies Act

Our Company has made an application dated May 6, 2008 before the Regional Director, Ministry of Company Affairs, for compounding of offence under Section 621A of the Companies Act for non-compliance of Section 292A of the Companies Act. Our Company was required to constitute an audit committee as per the provisions of Section 292A of the Companies Act, upon the increase of paid-up share capital of our Company on January 21, 2007. However, our Company was unable to constitute an audit committee before November 1, 2007. Hence, the aforesaid application has been made by our Company. The application is currently pending before the Regional Director.

(ii) Compounding of offence under section 621A read with section 295 of the Companies Act

Our Company has made an application dated July 23, 2008 before the Regional Director, Ministry of Company Affairs, for compounding of offence under section 621A of the Companies Act for non-compliance of section 295 of the Companies Act. Our Company was required to take the prior approval of the Central Government prior to advancing any loans to any director or any firm in which the director or his relative is a partner. However, our Company granted such loans without taking prior Central Government approval.

Hence, the aforesaid application has been made by our Company. The application is currently pending before the Regional Director.

(iii) Compounding of offence under section 621A read with section 297 of the Companies Act

Our Company has made an application dated July 29, 2008 before the Regional Director, Ministry of Company Affairs, for compounding of offence under section 621A of the Companies Act for non-compliance of section 297 of the Companies Act. According to section 297 of the Companies Act, any company having a paid-up share capital of rupees one crore or more has to seek Central Government permission for entering into contracts with interested directors. Our Company, having a paid-up capital of more than Rs. 1 crore had entered into numerous contracts with interested directors but did not seek prior Central Government permission. Hence, the aforesaid application has been made by our Company. The application is currently pending before the Regional Director.

(iv) Compounding of offence under section 621A read with section 300 of the Companies Act

Our Company has made an application dated July 29, 2008 before the Regional Director, Ministry of Company Affairs, for compounding of offence under section 621A of the Companies Act for non-compliance of section 300 of the Companies Act. According to section 300 of the Companies Act, interested directors should neither vote on interested transactions nor be considered a part of the quorum while such interested transactions are being discussed. However, the interested directors had voted on interested transactions and had also been considered a part of the quorum. Hence, the aforesaid application has been made by our Company. The application is currently pending before the Regional Director.

(v) Compounding of offence under section 621A read with section 383A of the Companies Act

Our Company has made an application dated April 12, 2008 before the Regional Director, Ministry of Company Affairs, for compounding of offence under section 621A of the Companies Act for non-compliance of section 383A of the Companies Act. According to section 383A of the Companies Act, every company having a paid up share capital of Rs. 2 crores or more is required to have a full time company secretary. The paid up share capital of our Company had increased from Rs.11.4 million to Rs. 34.2 million on August 10, 2006, but, no company secretary was appointed until November 1, 2007. Hence, the aforesaid application has been made by our Company. The application is currently pending before the Regional Director.

2. Revenue cases

Service Tax

- (a) A show cause notice bearing V(CTC)3/22/ST/2004/4613 dated May 12, 2004 was issued by the Assistant Commissioner, Central Excise Division, Kota calling upon our Company to pay service tax amounting to Rs. 2,248,432 alongwith a penalty and interest thereon at 15%p.a. Subsequently, an order dated June 7, 2005 was passed by the Joint Commissioner, Central Excise and Customs, Kota confirming the demand of Rs. 527,018, as service tax and imposing a penalty of Rs. 527,018 on our Company. Our Company filed an appeal before the Commissioner (Appeals-I), Custom and Central Excise, Jaipur, who by an order dated September 27, 2005 set aside the previous order. An appeal was filed before the CESTAT by the Commissioner Central Excise, Jaipur against the order passed on September 27, 2005. The CESTAT dismissed the appeal filed by the Commissioner, Central Excise. Subsequently, the Commissioner Central Excise filed an appeal no. 28/2006

before the High Court of Rajasthan. Our Company is awaiting proceedings to commence before the High Court of Rajasthan.

Income Tax

(a) Notice under section 143 (2) of the Income Tax Act

Our Company has received a notice dated September 3, 2009 in connection with the assessment year 2008-2009. Our Company is waiting for the hearing to commence under this notice.

(b) Search and seizure under the Income Tax Act

The authorities under the IT Act, conducted a search and seizure operation at our Company's office premises and the residential premises of our Promoters on December 4 and 5, 2009 and our key managerial person Mr. Shailendra Maheshwari on December 4, 2009.

Following is the sequence of events which occurred in relation to the search and seizure proceedings:

On December 4, 2009 the search and seizure took place at the residence of Mr. Shailendra Maheshwari. During the search and seizure certain loose papers and diaries were seized by the income tax department at his residence, situated at Dadabadi, Kota. Further, the following incidence took place on the aforesaid date:

- (a) Cash amounting to Rs. 362,350 was found and seized at the residence of Mr. Shailendra Maheshwari situated at Dadabadi, Kota;
- (b) Valuation report of jewellery of Mrs. Rekha Maheshwari, wife of Mr. Nawal Kishor Maheshwari valuing them at Rs. 5,530,216 and utensils (and misc.) at Rs. 111,300;
- (c) Valuation report of jewellery of Mrs. Shilpa Maheshwari, wife of Mr. Pramod Maheshwari valuing them at Rs. 4,434,470 and Rs. 2,710,350 and utensils (and misc.) at Rs. 351,925;
- (d) Valuation report of jewellery of Mrs. Neelima Maheshwari, wife of Mr. Om Prakash Maheshwari valuing at Rs. 3,082,576, Rs. 630,841 and Rs. 135,593 and utensils (and misc.) at Rs 17,694;
- (e) Valuation report of jewellery of Mrs. Kailash Bai, mother of Mr. Pramod Maheshwari valuing at Rs. 3,072,025 and utensils (and misc.) at Rs. 1,059,605;
- (f) List of inventories which includes certain loose papers and files were found and seized during the search proceedings conducted at the Company's registered office situated at Shakti Nagar, Kota;
- (g) Impounding order under section 133A(3)(ia) of the Income Tax Act, 1961 ("**IT Act**") against our Company whereby server, hard disk and loose papers not being verifiable due to non-availability of books of accounts were impounded;
- (h) Statement under section 132(4)/131 of the IT Act of Mr. Om Maheshwari regarding the property, business and bank accounts of our Company, him and his family were recorded during search and seizure operations. Among other things on being questioned, he accepted unaccounted income of our Company, the Promoters and family members of approximately Rs. 60 million;
- (i) Statement under section 132(4)/131 of the IT Act of Mr. Pramod Maheshwari and Mr. Nawal Kishore Maheshwari regarding the property, business and bank accounts of our Company, him and his family was recorded during seizure;

- (j) Statement under section 132(4)/131 of the IT Act of Mrs. Neelima Maheshwari, Ms. Shilpa Maheshwari and Ms. Rekha Maheshwari regarding the property, cash, and jewellery she owns was recorded during seizure;
- (k) Statement under section 132(4)/131 of the IT Act of Mrs. Shalini Maheshwari regarding the functioning and the management of our Company was recorded during seizure;
- (l) Statement under section 132(4)/131 of the IT Act of Mr. Shailendra Maheshwari regarding his/his family's income, property cash and jewellery at home, his association with the Company, documents found during the search, among other things, was recorded during the seizure;
- (m) Statement under section 132(4)/131 of the IT Act of few employees and faculty members regarding their income, the functioning and structure of our Company, among other things, were recorded during the seizure;
- (n) Inventory of cash found and seized at the premise of the Promoters and our Company situated at 112, Shakti Nagar, Kota amounting to Rs. 4.7 million and USD 8,726.

On December 5, 2009, the following event took place:

- (a) Impounding order under section 133A(3)(ia) of the IT Act against our Company wherein loose papers and evidence were impounded due to the non-availability of the regular books of accounts;
- (b) Order in relation to non-removal of all the fixed deposit receipts held by our Company in various banks without prior permission of the Assistant Director, Income Tax Mr. M. Anand Kumar;
- (c) Panchnama stating that when the residence of Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari, Mr. Shailendra Maheshwari and Mr. Nawal Kishore Maheshwari and premises of our Company were searched, certain assets, cash and jewellery were seized;
- (d) Panchnama stating that when the residence of Mr. Shailendra Maheshwari situated at Dadabadi, Kota were searched certain loose papers and diaries along with money was seized; and
- (e) Summons issued to Mr. Nawal Kishore Maheshwari, director of our Company under section 131 of the IT Act to personally appear on December 7, 2009.

Panchnama dated January 7, 2010 stating when the premises of Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari and our Company were searched, a locker key was found and seized;

On December 21, 2009, notice were issued to following persons regarding centralization of case under section 127 of the IT Act whereby the case was being transferred to Deputy Commissioner of Income Tax, Jaipur with an opportunity to be heard before passing the order under section 127 of the IT Act:

- (a) Our Company;
- (b) Swastika Polyolefins Private Limited;
- (c) Wellwin Technosoft Private Limited;
- (d) Shricon Industries Limited;
- (e) Ruby Merry Enterprises Private Limited;
- (f) Maheshwari Agro Base Private Limited;
- (g) Imperial Infin Private Limited;
- (h) Career Point Publications Private Limited;
- (i) Career Point Edutech Limited;
- (j) M/s Maheshwari Brothers;
- (k) Mr. Shailendra Maheshwari;
- (l) Mr. Nawal Kishore Maheshwari;
- (m) Mr. Pramod Kumar Maheshwari; and

(n) Mr. Om Prakash Maheshwari.

On January 7, 2010 summons were issued to Mr. Om Prakash Maheshwari under section 131 of the IT Act to personally appear on January 11, 2010.

On January 13, 2010 order passed under section 127 of the IT Act regarding the centralization of the case of CP Group to Jaipur. Further the letter also stated the search and seizure operations resulted in seizure of cash of Rs. 5.05 million, jewellery of Rs. 16 million and US\$ 8,726. That apart, books of account, incriminating documents, loose papers etc. were also found and seized which required detailed examination and verification.

On January 29, 2010, notices were issued to following entities assigning Jaipur as new jurisdiction under section 127 of the IT Act, requesting them to deposit the advance tax installments on the basis of income of the current year and furnishing true and correct return of income for the assessment years commencing 2004 - 2005 to 2009 - 2010:

- (a) Our Company;
- (b) Mr. Shailendra Maheshwari;
- (c) Mr. Nawal Kishore Maheshwari;
- (d) Mr. Pramod Kumar Maheshwari; and
- (e) Mr. Om Prakash Maheshwari.

On March 18, 2010 summons issued to Mr. Om Prakash Maheshwari on behalf of the Company under section 131 of the IT Act to produce certain documents.

On March 22, 2010, following event occurred:

- (a) Summons issued to Mr. Om Prakash Maheshwari on behalf of our Company under section 131 of the IT Act for examination on March 23, 2010;
- (b) Reply to the summon dated March 18, 2010 was filed by us stating that requesting for adjournment of the compliance as the information requested for was difficult to compile in a short time; and
- (c) Affidavit by Gulab Chand Maheshwari and others accepting the ownership of the seized jewellery and valuation done by departmental valuer.

On March 23, 2010 petition on behalf of the assesses was made seeking release of the jewellery and silver articles by replacement of cash in PD account.

On March 25, 2010, Mr. Om Prakash Maheshwari requested for adjourning the hearing in respect of the summon dated March 18, 2010 owing to the health of his father.

On March 29, 2010, detailed reply to the summon dated March 18, 2010 was filed by Mr. Om Prakash Maheshwari which included information pertaining to family chart, list of HUF, list of immovable properties, etc.

On April 9, 2010 summons was issued to Mr. Shailendra Maheshwari under section 131 of the IT Act for personal appearance on April 16, 2010.

On April 16, 2010, reply was filed by Mr. Shailendra Maheshwari to the summon dated April 9, 2010 requesting for the adjournment of the said appearance.

On April 21, 2010, summons under section 131 of the IT Act were issued to the following entities:

- (a) Director, Maheshwari Agro Base Private Ltd for personal appearance on April 28, 2010;

- (b) Director, Swastika Polyolefins Private Limited for personal appearance on April 28, 2010;
- (c) Director, Ruby Merry Enterprises Private Ltd for personal appearance on April 28, 2010;
- (d) Director, Wellwin Technosoft Private Limited for personal appearance on April 28, 2010;
- (e) Mr. Om Prakash Maheshwari for personal appearance on April 26, 2010; and
- (f) Director, Career Point Infosystems Limited for personal appearance on April 26, 2010 and to show cause as to why prosecution under section 277 and 277A should not be launched against our Company.

On April 23, 2010 letter by Mr. Om Prakash Maheshwari on behalf of our Company expressing his inability to appear in reference to the summons dated April 21, 2010 for continuation of examination by oath in respect of evidences collected as a result of the search action.

On April 29, 2010 reply by Mr. Om Prakash Maheshwari on behalf of our Company of notice dated April 21, 2010 denying the charge of the falsification of the books of account.

On June 8, 2010 letter from DCIT(C), Jaipur allowing the release of seized jewellery on fulfillment of certain conditions, including depositing the amount in the PD account of CIT(C) Jaipur, which is equivalent to the present market value of jewellery seized for adjustment against tax liability.

On July 1, 2010 letter from the Dy. Commissioner of Income Tax withdrawing the previous order for release of jewellery on account of non-filing of returns of income.

On July 5, 2010 our Company has re-filed its return of income for the assessment years 2009-10, 2008-09, 2007-08, 2006-07, 2005-06 and 2004-05. Further, our Company has not disclosed any additional income in its revised returns of income.

On July 8, 2010, our Company has received letter from the Dy. Commissioner of Income Tax for retention of books of accounts and documents impounded under section 133A(3)(ia) of the IT Act till June 30, 2011.

On July 29, 2010, the following persons have re-filed their return of income for the assessment years 2009-10, 2008-09, 2007-08, 2006-07, 2005-06 and 2004-05. Further, the following persons have not disclosed any additional income in its revised returns of income:

- (a) Mr. Shailendra Maheshwari;
- (b) Mr. Nawal Kishore Maheshwari;
- (c) Mr. Pramod Kumar Maheshwari; and
- (d) Mr. Om Prakash Maheshwari.

On August 20, 2010, notices were issued by the Deputy Commissioner of Income Tax, Jaipur to following persons under section 153A read with section 153B of the IT Act for the assessment years 2004-05 to 2009-10 regarding the search conducted at the business, residential premises and locker no. 468 with HDFC Bank, of the following persons on December 4, 2009. The following persons were requested to explain the nature and source of acquisitions of the unaccounted cash, jewellery and other assets mentioned in the notices and also explain the nature of entries recorded on incrementing documents and also get the entries verified from regular books of accounts. The notice has requested the following persons to explain whether, inter alia, the cash found during the search has been disclosed in the revised return of income filed. The case has been fixed for hearing with the Deputy Commissioner of Income Tax, Jaipur for September 27, 2010:

- a. Our Company;

- b. Mr. Shailendra Maheshwari;
- c. Mr. Nawal Kishore Maheshwari;
- d. Mr. Pramod Kumar Maheshwari; and
- e. Mr. Om Prakash Maheshwari.

On August 20, 2010, notice was issued by the Deputy Commissioner of Income Tax, Jaipur to following persons in relation to transfer of jurisdiction of group cases of our Company to the Deputy Commissioner of Income Tax, Jaipur under section 127(2) of the IT Act and stating that persons from (f) to (m) have not filed their return of income of assessment year 2009-10:

- a. Mr. Om Prakash Maheshwari;
- b. Mr. Pramod Kumar Maheshwari;
- c. Mr. Nawal Kishore Maheshwari;
- d. Mr. Shailendra Maheshwari;
- e. Our Company;
- f. Ruby Merry Enterprises Pvt Ltd;
- g. Maheshwari Brothers;
- h. Career Point Eductech Ltd;
- i. C.P Publication Pvt. Ltd;
- j. Imperial Infin Pvt Ltd;
- k. Maheshwari Agro Base Pvt Ltd;
- l. Wellwin Technosoft Pvt Ltd;
- m. Swastika Polyolefins Private Limited; and
- n. Shricon Industries Limited.

(c) Notices under section 153A of the Income Tax Act

Our Company has received notices dated January 29, 2010 under section 153A of the Income Tax Act pursuant to the search conducted under section 132 of the Income Tax Act on the Company on December 4, 2009. Our Company has been requested to furnish true and correct return of income with respect to the Company that is assessable for the assessment years 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 within 30 days from the service of the notices. On July 5, 2010, our Company has re-filed its return of income for the assessment years 2009-10, 2008-09, 2007-08, 2006-07, 2005-06 and 2004-05.

(d) Show cause for launch of prosecution under sections 277 and 277A of the Income Tax Act

In furtherance of the search conducted under section 132 of the Income Tax Act, our Company has received a notice dated April 21, 2010 asking us to show cause why prosecution under sections 277 and 277A of the Income Tax Act should not be launched. Further, in addition to the above notice we have also received notice dated April 21, 2010 under the provisions of section 131 of the Income Tax Act, 1961, for personal appearance before the Deputy Director of Income Tax (Investigations) – II, Jaipur. The Company has submitted a reply dated April 29, 2010. The next date of hearing is awaited.

VAT

1. Our Company has received a notice dated July 6, 2010 under sections 11(6), 13(1), 15, 56 and 65 of the Rajasthan Value Added Tax Act, 2003 (“**VAT Act**”) from the Commercial Tax Officer, Circle B, Kota. Under the aforementioned notice it has been stated that our Company had transferred the right to use its brand name/trademark "Career Point" to various institutes during the year 2006-07, 2007-08 and 2008-09. Further, it has been stated that our Company had received an affiliate fee/royalty of Rs. 4,374,119 in 2006-07, Rs. 49,747,050 in 2007-08 and in Rs. 44,424,319 in 2008-09 in consideration of sale of right to use the said trademark/brand name, and therefore required registration under the VAT Act. Our Company filed a reply to the said notice on July 28, 2010 stating that our Company

was not liable to tax because the effective control of the said brand name/trademark remained with our Company.

An order was passed by the office of Commercial Tax Officer, Circle B Kota on August 4, 2010, stating that our Company was liable for registration since April 1, 2006 and a penalty of Rs. 500 was also imposed under the VAT Act for non registration. Our Company filed an appeal against the said order on August 25, 2010 before the Deputy Commissioner (Appeals), Ajmer.

2. Our Company has received three notices dated August 11, 2010 from the Commercial Taxes Officer, Circle B, Kota under section 26(1) and section 55 of the VAT Act stating that our Company had received affiliate fee/royalty of Rs. 4,374,119 in 2006-07, Rs. 49,747,050 in 2007-08 and Rs. 44,424,319 in the year 2008-09 by sale of its brand name/trademark "Career Point". The notices further stated that our Company was liable to pay tax at the rate of 4% of the affiliate fee/royalty received by our Company in year 2006-07, 2007-08 and 2008-09. Our Company filed an application for adjournment and the next date of hearing is September 6, 2010.
3. Our Company has received a notice dated August 23, 2010 under section 92 of the VAT Act to appear before Assistant Commercial tax Officer, Kota in relation to the enquiry made by the department on August 6, 2010 with regard to submission of accounts statement, of papers purchased, printed study material application form, uniform, sweater and other printed material etc for the years 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 (upto July 31, 2010). Apart from the above sales account of application form for the aforesaid period, year wise profit and loss account, balance sheet of aforesaid period and copy of every contract work executed during aforesaid period were required to be submitted by our Company.
4. Our Company has received a notice dated August 9, 2010, delivered to our Company on August 28, 2010 under section 75(1) of the VAT Act from the Commercial Tax Officer, Kota. The notice required our Company to appear before the aforementioned Authority on August 30, 2010 with details of work contracts awarded by our Company during the period April 1, 2008 to July 2010 and details of tax deducted on payment to contractors for the period April 1, 2008 to July 2010.

3. Consumer Complaints

- (i) Mr. Ankit Jain ("**Complainant**") filed a consumer complaint bearing case number 547/08 against our Company and our Nagpur Franchisee Centre before the District Consumer Redressal Forum, Nagpur. The Complainant has pleaded that there was frequent change of teachers, therefore, it was difficult for him to grasp the subject. It was contended by the Complainant that the franchisee had assured him that the teachers would not be changed throughout the duration of the course. An order was passed against our Company and the Complainant was awarded Rs. 69,650 as costs and damages by the District Consumer Redressal Forum, Nagpur. Our Company has filed an appeal on July 24, 2009 in the State Consumer Redressal Forum, Nagpur and the next date of hearing for this complaint is February 17, 2011.
- (ii) Mr. Hargain Singh ("**Complainant**") filed a consumer complaint bearing case number 95 on behalf of his son Ravinder Kumar against Rohtak Franchisee Centre and our Company for deficiency in services before the District Consumer Redressal Forum, Rohtak. The Complainant alleged that he had paid a sum of Rs. 43,147 to our Franchisee Centre in Rohtak and subsequent to the payment, the Rohtak Franchisee Centre was shut down in May, 2008 without a refund of fees or any prior intimation. After repeated requests, the Complainant was only refunded a sum of Rs. 4,400 and the balance is still with the Rohtak Franchisee Centre. Thus, the Complainant filed this complaint for a refund of the

balance fees amounting to Rs.38,747 alongwith interest from May 2008 till such payment was made. Our Company has filed a counterclaim of Rs. 50,000 against the Complainant and the next date of hearing is October 29, 2010.

- (iii) Mr. Surendra Singh (“**Complainant**”) has filed a consumer complaint bearing case number 780/08 before the District Consumer Redressal Forum, Kanpur against our Company and the Kanpur Franchisee Centre for an unascertainable amount. A memorandum of understanding (“**MOU**”) was entered into between our Company and the Complainant to open a franchisee centre of our Company at Kanpur. The Complainant pleaded that pursuant to the MOU, our Company supplied necessary materials to the Complainant on March 2, 2008 which was subsequently stopped by our Company and this resulted in losses to the Complainant. The matter is currently pending and the next date of hearing is October 22, 2010.
- (iv) Mr. Prateek Kumar Bhatnagar and Rajesh Kumar Bhatnagar (“**Complainants**”) filed a consumer complaint bearing case number 80/2009 before the District Consumer Redressal Forum, Mathura against Annapurna education centre, the Mathura Franchisee Centre and our Company for a refund of a sum of Rs. 15,000. The Complainants have alleged that at the time of admission he was assured by the Mathura Franchisee Centre that if the Complainants do not secure the requisite marks in Class X or if for any reason would like to discontinue the IIT JEE foundation course, they will be refunded the entire amount deposited by them as fees. The Complainants could not secure the marks required for IIT JEE and therefore they stopped attending the classes of the IIT JEE Foundation Course and requested a refund of their fees. The matter is currently pending and the next date of hearing is September 18, 2010.
- (v) Mr. Rakesh Kumar Saxena and Sankalp Saxena (“**Complainants**”) filed a consumer complaint bearing case number 78/2009 before the District Consumer Redressal Forum, Mathura against our Company and Annapurna education centre for deficiency in consumer services. The Complainants have alleged that at the time of admission they were assured by Annapurna education centre, that if they do not secure the requisite marks in Class X or if for any reason would like to discontinue the IIT JEE foundation course, they will be refunded the entire amount deposited by them as fees. The Complainants could not secure the marks required for IIT JEE and therefore they stopped attending the classes of the IIT JEE Foundation Course and requested a refund of their fees. The matter is currently pending and the next date of hearing is September 18, 2010.
- (vi) Mr. Ramesh Chandra Pandey (“**Complainant**”) filed a consumer complaint bearing case number 265/06 before the District Consumer Redressal Forum, Allahabad, against our Company for deficiency in consumer services and unfair trade practices. The Complainant has alleged that he had sent a demand draft for a sum of Rs. 55,800 for supply of study materials, but, the study materials supplied to him were old and insufficient. Hence, the Complainant has sought damages for a total amount of Rs. 55,800. The matter is currently pending and the next date of hearing is November 4, 2010.
- (vii) Mr. Shushil Kumar Goyal (“**Complainant**”) filed a consumer complaint bearing case number 416/09 before the District Consumer Redressal Forum, Alwar on November 5, 2009 for a sum of Rs 35,296 against our Company and our Branch Office at Alwar for deficiency in consumer services. The Complainant has alleged that at the time of admission he was assured by our branch office at Alwar of excellent educational and infrastructural facilities, but, the same has not been provided by our Company. He requested for a refund of the fees which was denied by our Company. . The matter is currently reserved for judgment.

- (viii) Mr. Amar Mishra (“**Complainant**”) filed a consumer complaint bearing case number 361/09 for sum of Rs. 75,843 before the District Consumer Redressal Forum, Rewa (M.P.) against our Company for deficiency in consumer services. The Complainant has alleged that he wanted to discontinue classes for the AIEEE course and hence, he applied for a refund of the fees but our Company refused to refund. The District Consumer Redressal Forum has passed an order in our favour. However, our Company has not received a copy of the order..
- (ix) Mr. Tejpal Singh (“**Complainant**”) filed a consumer complaint bearing case number 991/09 before the District Consumer Redressal Forum, Amritsar, against our Amritsar Franchisee Centre and our Company for deficiency in consumer services. The Complainant has alleged that his son had taken admission at the Amritsar Franchisee Centre by making a payment of Rs. 24,000 but, the educational services rendered were not satisfactory. Hence, the Complainant claimed a refund of the fees paid alongwith interest thereon at 24% p.a. and damages amounting to Rs. 15,000 for mental tension and unnecessary harassment. The matter is currently pending and the next date of hearing is on September 10, 2010.
- (x) Mr. Ganesh Kumar Tiwari (“**Complainant**”) filed a consumer complaint bearing case number 34/2010 before the District Consumer Protection Forum, Bokaro against Bokaro Franchisee Centre and our Company for short refund of fee and unfair trade practice. The Complainant alleged that he paid a sum of Rs. 31,270 to our Bokaro Franchisee Centre and subsequent to the payment, the Complainant withdrew his admission from the Franchisee Centers on the grounds that the class are not properly held. After repeated requests, the Complainant was only refunded a sum of Rs. 13,700. Hence, the Complainant has filed the complaint for a refund of the balance fees alongwith interest. The matter is currently reserved for final arguments and the next date of hearing is August 26, 2010.

4. Civil Cases

- (i) The office of the sub-registrar (SR-IV), Jaipur issued a notice dated October 15, 2005 under section 54 of the Stamp Act, 1998 to our Company to pay the deficit stamp duty of Rs. 879,920 on execution of a sale deed dated October 14, 2005, for the purchase of plot number B-10-B, situated at main Gopalpura bypass, Jaipur from Mr. Lokesh Dullar. Our Company disputed the stamp duty to be paid and hence on October 18, 2005 vide reference number 981/2005, the matter was referred to the Additional Collector (Stamp) Jaipur. By an order dated November 23, 2005 the Additional Collector (Stamp) Jaipur, directed our Company to pay the deficit stamp duty of Rs. 879,920 and a penalty of Rs. 1,500. Aggrieved by this order dated November 23, 2005, our Company filed a revision petition bearing petition number 134/2006 before the Tax Board, Ajmer, Rajasthan. By an order dated February 21, 2007 the Tax Board allowed the Revision Petition filed by our Company and quashed and set-aside the impugned order dated November 23, 2005. The order dated February 21, 2007 has been challenged in the High Court of Rajasthan by the Rajasthan Tax Board. The matter is currently pending and the next date of hearing is on September 6, 2010.
- (ii) A public interest litigation bearing number D.B Civil Writ Petition (PIL) No. 850/2010 has been filed Mr. Mukesh Kumar against State of Rajasthan and others in the High Court of Rajasthan, where our Company has been made a party to the litigation. The Court passed an order dated January 19, 2010 where it directed the State of Rajasthan after reviewing the issues raised in the petition to make a detailed inquiry into the alleged illegal activities, construction and nuisance carried out by our Company and another respondent mentioned in the petition and also to prevent our Company and another respondent from carrying out illegal activities/construction in Kota city. The High Court

in its order further directed the State of Rajasthan pursuant to the inquiry if the State of Rajasthan finds that there is any illegal construction / encroachment, then to take immediate steps to remove the construction and to take punitive action. Pursuant to this order our Company received a notice dated February 3, 2010 from the office of Municipal Corporation, Kota (Rajasthan) to provide a list of Company's buildings/premises within the municipal limits of Kota, which was duly responded vide our letter dated February 9, 2010. Additionally, our Company also received a notice dated February 10, 2010 seeking further information in relation to Global Public School. Our Company is yet to file a reply to the said notice. However, subsequently, our Company filed a recall petition bearing number D.B Civil Misc Petition No. 25/2010 against the order of the High Court dated January 19, 2010. The High Court of Rajasthan recalled its earlier order through an order dated February 15, 2010 and has now issued notices to the writ petitioner.

5. Notices issued to our Company

- (i) Our Company has received a notice dated December 11, 2008 by Dr. Ashok Kumar Singh stating that he had executed a memorandum of understanding (“MOU”) with our Company which had not been honoured by our Company. As per the terms and conditions of the MOU, our Company had to bear the expenditure of advertising and publicity of medical and engineering coaching exams for the Franchisee Centre established by Dr. Ashok Kumar Singh at Varanasi. Dr. Ashok Kumar Singh has claimed that he had to spend Rs. 136,958 himself to do publicity for his Franchisee Centre since our Company did not bear the expenditure. Hence, he has claimed this amount from our Company stating that as per the terms of the MOU, this expenditure had to be incurred by our Company.
- (ii) Our Company has received a notice dated October 6, 2008 and November 17, 2008 by Mr. Padam Singh Bisht on behalf of his son Mr. Prakash Singh Bisht for refund of half of the coaching fees amounting to Rs. 17,977. Our Company by its letter dated November 27, 2008 has replied back to the said letter.
- (iii) Our Company has received a letter from Tata Teleservices Limited dated January 6, 2009 for payment of a mobile phone bill of Rs. 2,157 for the use of a mobile phone. Our Company by a letter dated January 16, 2009 has replied back to the said letter.
- (iv) Our Company has received letters 812/JS/Pers/05 and 2531/JS/Pers/Sigs/25 from Mr. Subedar Jagdish Singh dated September 17, 2008 and November 13, 2007 respectively claiming refund of fees of a sum of Rs. 19,000. Mr. Singh states that at the time of the admission to our Kanpur Franchisee Centre, he was assured by Mrs. Avani Gupta, owner of the Kanpur Franchisee Centre that he would be refunded the fees in case of discontinuation of coaching classes. Our Company has by its letter dated October 11, 2008 has replied back to the said letter. However, we have not heard anything from Mr. Singh thereafter.
- (v) Our Company received a letter 565/P.G.Cell dated May 19, 2008 from the Deputy Collector, Public Grievance Cell, Sambalpur regarding a grievance petition 735/2008 filed by Mr. R.N.Nayak on behalf of his daughter Ms. Anshita Nayak for refund of fees amounting to Rs. 21,311. The refund was claimed as the student was not satisfied with the infrastructural and educational facilities provided by the Sambalpur Franchisee Centre. Our Company by its letter dated June 3, 2008 has replied back to the said letter.
- (vi) Mr. Kunal Kasliwal sent a notice to our Company dated November 17, 2006 regarding a memorandum of understanding (“MOU”) dated January 12, 2005 that was entered into with our Company, Mr. Pramod Maheshwari and Mr. Vinay

Nayasar for establishing a Franchisee Centre at Indore. According to the terms and conditions of the MOU, our Company had to provide facilities and requisite materials for training of students for the engineering and the medical entrance examinations. Mr. Kunal Kasliwal by his letter dated April 25, 2005 demanded from our Company a refund of Rs. 200,000 alongwith interest at the rate of 18% p.a. thereon till the payment of the money is tendered. Our Company by its letter dated December 6, 2006 has replied back to the said letter.

- (vii) Ms. Champadevi sent a notice to our Company dated December 27, 2008 stating that our Company had not complied with the education centre affiliate agreement entered into between our Company and her for establishment of a Franchisee Centre at Gorakhpur. She was aggrieved as our Company did not provide her with adequate infrastructure material, furniture, advertisement and publicity and test papers which resulted in tremendous mental tension and agony to her and hence has claimed an amount of Rs. 1,836,714. Our Company by its letter dated February 24, 2009 has replied back to the said letter.
- (viii) Our Company has received a notice dated January 16, 2010 from Jagjit Singh that the Company allured his son and him for coaching on both IIT/CBSE courses but failed to deliver the commitments made by the Company in this regard. Jagjit Singh has further alleged that same faculty was not maintained for two years throughout the course and therefore damaged the studies of his son. He has demanded a refund of tuition fee of Rs 48,500 from the Company in his notice.
- (ix) Our Company has received notice dated January 25, 2010 from Ms. Kanika Gupta in relation to misrepresentation about admission of student for MBA course at Proseed Business School and about their faculty. Ms. Kanika Gupta has claimed a refund of tuition fees of Rs. 10,000 from the Company within 15 days from the date of receipt of the notice. Our Company by its letter dated February 27, 2010 has replied back to the said notice.
- (x) Our Company has received a letter dated May 31, 2010 from Mr. Ankit Agarwal claiming a refund of fees of Rs. 49,438. He has stated that the Franchisee Centre at Asansol has closed down and hence requested the Franchisee Centre to refund the aforementioned fees. On failure of any response from the Franchisee Centre, Mr. Agarwal has approached our Company to refund the fees.
- (xi) Our Company has received a letter no.ROC/TS/2010/16272/4134 dated June 11, 2010 from Registrar of Companies, Jaipur with respect to search and seizure action by the Income Tax Department in our Company on December 4, 2009. The RoC called upon our Company and all its directors to disclose full facts and circumstances that led to non-maintenance of proper books of accounts. RoC has also asked our Company to explain, based on the evidences provided by the income tax authorities, that the balance sheet and profit and loss account of our Company reflect true and fair view of the affairs of our Company. The RoC has also asked our Company to show cause why legal action under section 211 read with section 628 of the Companies Act shall not be initiated against our Company. RoC has vide the said letter also requested Sharp & Tannan, Chartered Accountants, the statutory auditors of our Company, to provide their comments in relation to the search and seizure operations and accounting irregularities observed. Additionally, RoC has also asked Sharp & Tannan, Chartered Accountants to offer their comments regarding true and correctness of the accounts audited by them and to show cause why any action for not qualifying their report be not initiated against them. Our Company has filed its reply to the RoC by its letter dated June 28, 2010. Our Company in its reply has submitted that the past financial statements filed with RoC do not have any irregularities as per the provisions of the Companies Act. Further, our Company has

replied that the balance sheet and profit and loss accounts for the past periods filed with the RoC give a true and a fair view of the state of affairs of our Company.

- (xii) Our Company has received a notice from Sub-Regional office (Kota) of Employee's Provident Fund Organization for evasion of PF membership for the period July, 2004 to May, 2010. Subsequently, our Company received a notice for non-appearance on July 20, 2010, and directing our Company to appear before the aforementioned authority on August 3, 2010. The next date of hearing is scheduled for August 28, 2010.

B. Cases filed by our Company

1. Revenue Cases

Service Tax

- (a) A show cause notice bearing number V(H)ST/Adj-I/111/06/8297 dated June 27, 2006 was issued upon our Company calling upon it to pay service tax amounting to Rs. 527,018 alongwith interest and penalty under sections 75, 76 and 78 of the Finance Act. Our Company filed a reply to this show cause notice vide its letter dated May 28, 2007 and the authorities responded by granting our Company a personal hearing on June 27, 2007. Subsequently, an order dated November 21, 2007 was passed by the Joint Commissioner, Central Excise Tax Division, Jaipur I confirming the service tax to be paid by our Company amounting to Rs. 527,018 alongwith interest and penalty of Rs. 527,018. Further, the order also directed the appropriation of amount deposited by our Company. In the meantime, our Company filed an application on August 7, 2007 before the Assistant Commissioner, Central Excise, Kota, asking for a refund of service tax amounting to Rs. 527,018 alongwith interest and penalty amounting to Rs. 142,733 and Rs. 131,755 respectively. By an order dated November 5, 2007, the Assistant Commissioner, Central Excise Kota, sanctioned a total refund of Rs. 801,506 to be paid to our Company. However, the Joint Commissioner, being unaware of the refund order dated November 5, 2007 passed by the Assistant Commissioner, passed a new order dated November 21, 2007 asking for the appropriation of amounts deposited by our Company. The refund of Rs. 801,506 received by our Company was ordered to be tendered back to the service tax authorities. Pursuant to the said order dated October 30, 2007, the Superintendent, Central Excise, Range I, Kota through his letter dated December 6, 2007, requested our Company to redeposit the amount of Rs. 527,018 alongwith interest and penalty of Rs. 527,018. Aggrieved by this order our Company has filed an appeal bearing number 67(RKS)ST/JPR- I/2008 dated April 16, 2008 before the Commissioner (Appeals – I), Custom & Central Excise, Jaipur. The Commissioner (Appeal – I) has vide its order dated April 25, 2008 rejected this appeal filed by our Company. Hence, our Company has filed an appeal before the CESTAT for a stay order and the CESTAT has allowed the stay petition vide its order number ST/396/2008 dated October 1, 2008. Subsequent to this, our Company has received a revision order by the Commissioner of Service Tax and our Company proposes to file an appeal before the CESTAT against this order.

Income Tax

- (a) Notice under section 143 (2) of the Income Tax Act

Our Company has received a notice dated October 24, 2007 under section 143(2) of the Income Tax Act, 1961 in connection with the assessment year 2006-2007. Subsequently, an assessment order dated December 26, 2008 was passed under section 143(3) of the Income Tax Act, 1961 by the Deputy Commissioner of Income Tax, Circle - 1, Kota computing the total assessed income as Rs. 23,385,425 and initiating penalty proceedings

under section 271(1)(c) for inaccurate particulars of income and concealment. Further, a notice dated December 26, 2008 was issued under sections 274 and 271 of the Income Tax Act, 1961, by the Deputy Commissioner of Income Tax, Circle-1, Kota to our Company, alleging the concealment of the particulars of income or the furnishing of inaccurate particulars of such income and directed our Company to appear before the Deputy Commissioner of Income Tax, Circle-1, Kota. Our Company has filed an appeal before the Commissioner (Appeals), Kota against the order. The matter is yet to be listed for hearing.

2. Criminal Cases

- (i) Our Company has filed two complaints bearing numbers 509/09 and 501/09 dated August 8, 2006 and one complaint bearing number 503/09 on September 28, 2006, under section 138 of the Negotiable Instruments Act, 1881, against Mr. Rakesh Tewari, ex-franchisee owner in Rewa, Madhya Pradesh, before the Additional Chief Judicial Magistrate No. 5, Kota. An amount of Rs. 266,670 was due and payable towards the supply of study materials inclusive of forwarding and packaging charges to our Company by Mr. Rakesh Tewari. Mr. Rakesh Tewari issued two cheques for an amount of Rs. 100,000 each and another cheque of Rs. 66,670, and all the three cheques issued were dishonoured. The Magistrate has taken cognizance of the matter and summons has been issued against the Mr. Rakesh Tewari. On November 26, 2009 cases have been transferred to the Special Negotiable Instruments Court in Kota. The case is still pending and the next date of hearing is November 20, 2010.
- (ii) Our Company has filed two complaints bearing numbers 777/2007 and 779/2007 dated May 1, 2007, under section 138 of the Negotiable Instruments Act, 1881, against Mr. Sanjay Vishwakarma, before the Magistrate, Kota. Mr. Sanjay Vishwakarma borrowed money for his personal needs for a sum amounting to Rs. 110,000. For repaying the borrowed money, he issued two cheques of Rs. 40,000 each and one cheque of Rs. 30,000, and all the three cheques issued were dishonoured. The Magistrate has taken cognizance in the matter and the Court has issued summons to Mr. Sanjay Vishwakarma. The case is still pending and the next date of hearing is February 26, 2011.
- (iii) Our Company has filed a complaint bearing number 26/2004 dated November 13, 2003, under section 138 read with section 141 of the Negotiable Instruments Act, 1881, before the Magistrate, Kota, against Friends Consortium, Ajmer and its three partners, Mr. Salil Gupta, Mr. Kedar Nath Sharma and Mr. Manda (the “**Accused**”). An amount of Rs. 850,000 as franchisee fees was due and payable to our Company by Friends Consortium. One of the partners of Friends Consortium issued two cheques for Rs. 500,000 and Rs. 350,000 respectively from his personal account. The said cheques were dishonoured and the Magistrate took cognizance of the entire matter under Sections 138 and 141 of the Negotiable Instruments Act, 1881 and issued summons to the Accused. The case is still pending and the next date of hearing is February 26, 2011.
- (iv) Our Company has filed a complaint bearing number 504/2009 dated February 8, 2006, under section 138 read with section 141 of the Negotiable Instruments Act, 1881, against Chhattisgarh Coaching Institute, before the Magistrate, Kota. An amount of Rs. 85,000 was due and payable to our Company towards supply of study materials inclusive of packaging and forwarding charges by this institute. A cheque for an amount of Rs. 85,000 was issued by this institute, but, it was dishonoured. The Magistrate took cognizance of the matter on June 1, 2007 and summons was issued to Chhattisgarh Coaching Institute. The case is still pending before the Special Negotiable Instruments Court, Kota and the next date of hearing is November 20, 2010.
- (v) Our Company has filed a complaint bearing number 194/2007 dated February 1, 2007 under section 138 read with section 141 of the Negotiable Instruments Act, 1881, against

Gwalior Coaching Classes Private Limited and Mr. Dharmendra Pal Singh Jaduon before the Magistrate, Kota. A sum of Rs. 30,000 was due and payable to our Company by Gwalior Coaching Classes Private Limited and Mr. Dharmendra Pal Singh Jaduon towards charges for supply of study material inclusive of forwarding and packaging charges and an upfront royalty. A cheque for an amount of Rs. 30,000 was issued to our Company and the same was dishonoured. Summons was issued to Gwalior Coaching Classes Private Limited and Mr. Dharmendra Pal Singh Jaduon to appear before the Court. The case is still pending and the next date of hearing is September 17, 2010.

- (vi) Our Company has filed a complaint bearing number 78/2007 dated October 20, 2006, under section 138 read with section 141 of the Negotiable Instruments Act, 1881, against Gwalior Coaching Classes Private Limited before the Magistrate, Kota. A sum of Rs. 200,000 was due and payable to our Company by Gwalior Coaching Classes Private Limited towards the supply of study materials inclusive of forwarding and packaging charges and an upfront royalty. A cheque for that amount was issued by the director of Gwalior Coaching Classes Private Limited from his personal account. The cheque was dishonoured and the Magistrate took cognizance of the matter on January 15, 2007, wherein he issued a bailable warrant against the director of Gwalior Coaching Classes Private Limited. The case is still pending and the next date of hearing is September 17, 2010.
- (vii) Our Company has filed a complaint bearing number 172/08 dated January 8, 2008, under section 138 of the Negotiable Instruments Act, 1881, against Mr. Dilip Kumar Singh, before the Magistrate, Kota. An amount of Rs. 100,000 was due and payable to our Company towards supply of study materials inclusive of forwarding and packaging charges and an upfront royalty. A cheque for an amount of Rs. 100,000 was issued towards the part payment of the money owed by Mr. Dilip Kumar Singh. The cheque was dishonoured and the court took cognizance of the matter on March 04, 2008. The case is still pending and the next date of hearing is April 15, 2011.
- (viii) Our Company has filed a complaint bearing number 194/2009 on February 5, 2009 against Krishna Book Company before the Magistrate, Kota under section 138 of the Negotiable Instruments Act, 1881. Krishna Book Company sold application forms on behalf of our Company and issued a cheque of Rs. 10,000 to us in lieu of the sale proceeds. The cheque so issued was dishonoured and therefore, our Company has filed a case against them. The case is still pending and the next date of hearing is September 9, 2010.
- (ix) Our Company has filed a complaint on November 25, 2008 against M/s Aradhna Associates and its partners Mr. Bhupendra Kumar, Mr. Vishal Bharti and Mr. Shivam Kapoor before the Magistrate, Kota, under section 138 of the Negotiable Instruments Act, 1881, for the dishonour of three cheques of Rs. 200,000 each, bearing cheque numbers 791129, 791130 and 791131 which had been issued to our Company for arrears of ongoing royalty, study materials, packaging and forwarding charges. The case is still pending and the next date of hearing is September 23, 2010.
- (x) Our Company has filed a complaint on November 24, 2008 against M/s Aradhna Associates and its partners Mr. Bhupendra Kumar, Mr. Vishal Bharti and Mr. Shivam Kapoor under section 138 of the Negotiable Instruments Act, 1881, before the Magistrate, Kota, for the dishonour of two cheques of Rs. 200,000 each, bearing cheque numbers 791129 and 791130 which had been issued to our Company for arrears of ongoing royalty, study materials, packaging and forwarding charges. The case is still pending and the next date of hearing is September 23, 2010.
- (xi) Our Company has filed a complaint bearing number 187/09 against Mr. Ajay Kumar Verma under section 138 of the Negotiable Instruments Act, 1881 before the Magistrate,

Kota on February 3, 2009. Mr. Ajay Kumar Verma was an ex-employee of our Company who left our Company on December 16, 2008. He issued two cheques to our Company to compensate our Company for training charges and costs for appointing a new teacher. The cheques for an amount of Rs. 40,000 each were dishonoured and hence, our Company filed a case against him. The case is still pending and the next date of hearing is September 16, 2010.

- (xii) Our Company has filed a complaint on March 27, 2009 against Mr. Devendra Kumar Sharma before the Magistrate, Kota under section 138 of the Negotiable Instruments Act, 1881, for dishonour of a cheque of Rs. 5,000 tendered to our Company in lieu of the sale of Company's application forms. The case is still pending and the next date of hearing is October 22, 2010.
- (xiii) Our Company has filed a complaint bearing number 385/09 on November 24, 2008 against Mr. Siddharth Gupta under section 138 of the Negotiable Instruments Act, 1881, before the Magistrate, Kota for the dishonour of a cheque bearing cheque number 205025 of Rs. 200,000 issued to our Company for outstanding liabilities. The case is still pending and the next date of hearing is September 9, 2010.
- (xiv) Our Company has filed a complaint bearing number 384/09 against Swami Vivekanand Charitable Trust, and Mr. Siddharth Gupta. Swami Vivekananda Charitable Trust entered into a Memorandum of Understanding with the Company in connection with which they issued a cheque which was dishonoured due to insufficient funds. The company filed a case against Swami Vivekananda Charitable Trust and their authorised signatory, Mr. Siddharth Gupta, for dishonour of this cheque before the Magistrate, Kota. The case is still pending and the next date of hearing is September 9, 2010.
- (xv) Our Company filed three complaints against Bhagya Education Pvt. Ltd., Bhubaneswar ("Bhagya Education"), and Mr. Bhagyadhar Sahoo, in both his capacity as an individual and also Managing Director, under section 138 of the Negotiable Instruments Act, 1881. Bhagya Education issued six cheques to our Company of Rs. 6, 00,000 each which were dishonoured. Hence, our Company filed three complaints against them on October 28, 2009 before the Magistrate, Kota. The case is still pending and the next date of hearing is October 7, 2010.
- (xvi) Our Company filed a first information report bearing reference number 94/2006 dated May 10, 2006 before the Keshavpura Police Station, for theft of a multimedia projector on May 4, 2006. Thereafter, the police filed a report before the court on May 4, 2006 that they have seized a projector under section 102 of the Criminal Procedure Code, 1973. Our Company identified the same as being the projector that was stolen from their premises. The projector was deposited in court and our Company filed an application under Section 457 of the Criminal Procedure Code, 1908 for delivery of the projector but the court by its order dated March 12, 2008 did not accept our Company's application. Our Company was aggrieved by this said order and so it filed a case against Thanadhikari Keshavpura, Kota and State of Rajasthan under section 397 of the Criminal Procedure Code, 1973 for reclaiming the said projector. The case is still pending and the next date of hearing is September 29, 2010.
- (xvii) Our Company has filed a complaint on October 1, 2008 under sections 138 read with section 141 of the Negotiable Instruments Act, 1881 against M/s Saraswatri Shiksha Kendra, Bhatinda, Mr Kanwar Ishwinder Singh and Ms. Svitlana for an amount of Rs. 185,219 that was due and payable to our Company towards the supply of study materials inclusive of packaging and forwarding charges. A cheque for an amount of Rs. 185,219 was issued by them on behalf of M/s Saraswatri Shiksha Kendra which was dishonoured. The case is still pending and the next date of hearing is September 20, 2010.

- (xviii) Our Company has filed a complaint on January 21, 2010 before the Magistrate, Kota, against Mr. Naresh Kumar Upadhyay under section 138 of the Negotiable Instruments Act, 1881, for the dishonour of two cheques of Rs. 65,000 each issued to our Company, for outstanding liabilities. The case is still pending and the next date of hearing is September 27, 2010.
- (xix) Our Company has filed a complaint on April 1, 2010 before the Magistrate, Kota against Mr. Javed Ali Hashmi and SS Enterprises (Proprietorship of Mr. Javed Ali Hashmi) under section 138 of the Negotiable Instruments Act, 1881, for dishonour of cheque of Rs. 23,314 issued to our Company towards the tuition fees for IIT-JEE foundation course. The next date of hearing is September 4, 2010.
- (xx) Our Company has filed a complaint on May 28, 2010 under section 138 read with section 141 of the Negotiable Instruments Act, 1881 before the Additional Chief Justice Magistrate number 5, Kota against M/s Dhana Shree Education and its partners Mr. Samir Gaikwad, Mr. Pankaj Deshmukh and Mr. Nitin Upare. M/s Dhana Shree Education owed our Company a sum of Rs. 132,316 for upfront royalty, ongoing royalty, study materials, packaging and forwarding charges. A cheque for the said amount was issued by them to our Company, but it was dishonoured. Hence, our Company has filed the complaint against them. The date of hearing for this complaint is October 7, 2010.
- (xxi) Our Company has filed a complaint on August 2, 2010 under section 138 read with section 141 of the Negotiable Instruments Act, 1881 before the Additional Chief Justice Magistrate number 5, Kota against M/s Dhana Shree Education and its partners Mr. Samir Gaikwad, Mr. Pankaj Deshmukh and Mr. Nitin Upare. M/s Dhana Shree Education owed our Company a sum of Rs. 132,316 for upfront royalty, ongoing royalty, study materials, packaging and forwarding charges. A cheque no. 141019 for the said amount was issued by them to our Company, but it was dishonoured. Hence, our Company has filed the complaint against them. The date of hearing for this complaint is October 7, 2010.
- (xxii) Our Company has filed a complaint on August 2, 2010 under section 138 read with section 141 of the Negotiable Instruments Act, 1881 before the Additional Chief Justice Magistrate number 5, Kota against M/s Dhana Shree Education and its partners Mr. Samir Gaikwad, Mr. Pankaj Deshmukh and Mr. Nitin Upare. M/s Dhana Shree Education owed our Company a sum of Rs. 99,854 for upfront royalty, ongoing royalty, study materials, packaging and forwarding charges. A cheque no. 141020 for the said amount was issued by them to our Company, but it was dishonoured. Hence, our Company has filed the complaint against them. The date of hearing for this complaint is October 7, 2010.
- (xxiii) Our Company has filed a complaint on August 2, 2010 under section 138 read with section 141 of the Negotiable Instruments Act, 1881 before the Additional Chief Justice Magistrate number 5, Kota against M/s Dhana Shree Education and its partners Mr. Samir Gaikwad, Mr. Pankaj Deshmukh and Mr. Nitin Upare. M/s Dhana Shree Education owed our Company a sum of Rs. 152,113 for upfront royalty, ongoing royalty, study materials, packaging and forwarding charges. Three cheques nos. 141021, 141022 and 141023 of Rs. 41,579, Rs. 26,150 and Rs. 84,384 respectively were issued by them to our Company, but these were dishonoured. Hence, our Company has filed the complaint against them. The date of hearing for this complaint is October 7, 2010.

3. Civil Cases

- (i) Our Company and Mr. Pramod Maheshwari (“**Plaintiffs**”) have filed a plaint before the District Court at Jaipur against “Career Point” Patiala, Punjab (“**Defendant**”) for

temporary injunction to restrain them for using the mark and logo “CAREER POINT.” The Defendant has registered the trademark under class 16 of the Trademarks Act, 1999. Mr. Pramod Maheshwari has also filed an application for the same mark and logo in the Trademarks Registry, Ahmedabad under class 41 as a prior user of the mark. On July 14, 2008, the District Court at Jaipur issued summons to Career Point at Patiala, Punjab for appearance on July 18, 2008. The next date of hearing is October 14, 2010.

- (ii) Mr. Pramod Maheshwari and our Company (“**Plaintiffs**”) filed a plaint bearing number 294/08 on May 16, 2008 before the District Court at Jaipur against Rishabhdev Education and Research Institute, Raipur, Chattisgarh (“**Defendant**”) for temporary injunction to restrain them from using the mark and logo “CAREER POINT”. The Defendant has registered the trademark under the Trademarks Act, 1999 on May 16, 2008. On May 16, 2008, District Court, Jaipur issued summons to Rishabhdev Education and Research Institute, Raipur, Chattisgarh to appear before them on May 20, 2008. On account of non appearance of the Defendant on May 20, 2008 and after hearing the Plaintiffs in the suit filed by them, the Court granted the Plaintiffs a temporary injunction. The Defendant then, pleaded before the District and Sessions Judge that they did not have the jurisdiction to try the suit. However, the court overruled their contention and granted the injunction in favour of our Company and Mr. Pramod Maheshwari. The Defendant then filed an appeal before the Rajasthan High Court, Jaipur bench. The Defendant has filed deed of assignment dated November 4, 2005 entered between Mr. Ashish Agarwal and Rishabhdev Education and Research Institute, Raipur, Chattisgarh wherein Mr. Ashish Agarwal has assigned the trademark “Career Point” since August 1992 to the said institute. The next date of hearing is September 1, 2010 in District Court and next date of hearing is August 27, 2010 in the High Court of Rajasthan.

4. Consumer complaints

Our Company and Mr. Pramod Maheshwari has filed a consumer complaint number 355/08 dated July 19, 2007 under section 12 of the Consumer Protection Act, 1986 against The Oriental Insurance Company Limited, before District Consumer Dispute Redressal Forum, Kota for deficiency in services and unfair trade practices under an umbrella insurance policy which he had purchased on July 29, 2005. The claim had been filed with reference to the theft of a projector which had been rejected by The Oriental Insurance Company Limited. The total amount of claim involved is Rs. 105,500 and the arguments for the case have commenced. The next date of hearing is October 14, 2010.

5. Notices issued

- (i) Our Company had entered into a leasehold agreement dated October 9, 2006 with M/s Hindustan Forged & Fabrication Steel (“**Hindustan Steel**”) in respect of leasing Plot No. A-116, Industrial Area, Kota, Rajasthan. Our Company paid Hindustan Steel a sum of Rs. 1,500,000 as advance, and had to pay a balance of Rs. 21,500,000. However, Hindustan Steel on some pretext or the other did not grant possession to our Company and also kept postponing entering into the final sale agreement with our Company. Hence, our Company sent Hindustan Steel a notice dated November 26, 2007 asking them to give immediate possession of the land to our Company and if it did not do so, then, our Company would take legal action against Hindustan Steel for violating sections 120, 406 and 420 of the Indian Penal Code, 1908. Our Company is yet to take any action.
- (ii) Our Company has issued notice dated February 27, 2010 to Bharat Sanchar Nigam Limited for refund of Rs. 59,528 coupled with interest at the rate of 12% per annum in relation to deficiency in the lease line connectivity service.

- (iii) Our Company has issued notice on April 16, 2010 to Mr. Sunil Taneja under section 138 of the Negotiable Instruments Act, 1881, for dishonour of a cheque of Rs. 8,773 issued to our Company for outstanding liabilities.
- (iv) Our Company has issued notice on April 16, 2010 to Mr. Ashok Kumar Akar under section 138 of the Negotiable Instruments Act, 1881, for dishonour of a cheque of Rs. 8,200 issued to our Company for outstanding liabilities.

6. Arbitration disputes

Our Company had entered into education centre affiliate agreements (“**Affiliate Agreement**”) with Mr. Krishan Kumar Arya, Mr. Aditya Gupta, Mr. Nagender Singh, Mr. Subratacharya, Mr. Amit Sharma, Mrs. Munmun Mazumder, Mrs. Anjoo Saraswat, Mr. Hazi Mohammad Hanif Barvatia, Ms. Avani Gupta, Mr. Shamsher Singh Hura and Mr. Zakhir Ahmed on February 18, 2006, June 2, 2006, February 28, 2007, December 30, 2006, March 2, 2005, March 29, 2006, January 27, 2005, January 2, 2007, March 17, 2005, March 7, 2006 and April 15, 2004, respectively, to establish and operate Franchisee Centres under the brand name of our Company. As per the Affiliate Agreement, all the aforementioned persons had to pay a stipulated fee to our Company alongwith 22% ongoing royalty on the gross fees collected from the students. Since, the conditions mentioned in the Affiliate Agreement were not met by the aforesaid parties, our Company sent a cease and desist notices to the aforementioned persons alleging the following:

- a. Breach of the contract by not complying with the conditions of the Affiliate Agreement;
- b. Execution of the Affiliate Agreement with malafide and dishonest intention which has caused losses to our Company; and
- c. Misappropriating the amount due to our Company, thereby committing criminal breach of trust pursuant to the provisions of Sections 409 and 420 of the Indian Penal Code, 1860.

Thereafter, our Company has issued individual notices to the aforementioned persons for the appointment of an arbitrator as per the procedure laid down in the Affiliate Agreement. The Company has decided to pursue arbitration as per the procedure laid down in the Affiliate Agreement and is in the course of appointing arbitrators.

C. Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

D. Details of past penalties imposed on our Company

There are no past penalties imposed on our Company.

E. Potential litigation against our Company

Mr. Kapil Dev Yadav (“**Complainant**”) filed a consumer complaint bearing case number 886/08 against our Company before the District Consumer Redressal Forum, Jaipur for deficiency in consumer services and unfair trade practices. The District Consumer Redressal Forum, Jaipur vide its order dated May 7, 2010 stated that, though there does not appear any deficiency in services, however, in view of the principles of natural justice, the Court has suggested to the Complainant to approach our Company for a refund of the application fees. As on date, our Company has not received any refund application from the Complainant. In the event we receive a refund application from the Complainant, which if not replied by us to the satisfaction of the Complainant, our response maybe challenged by the Complainant.

F. Material developments since the last balance sheet date

Except as disclosed in the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” at page 181, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its consolidated assets or its ability to pay its material liabilities within the next 12 months.

G. Outstanding dues to small scale undertaking(s) or any other creditors

There are no outstanding dues above Rs. 100,000 to small scale undertaking(s) or any other creditors by our Company, for more than 30 days.

H. Outstanding Litigation against other companies whose outcome could have an adverse effect on our Company

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

I. Adverse findings against any persons/entities connected with our Company as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Company as regards non compliance with securities law.

J. Disciplinary action taken by SEBI or stock exchanges against our Company

There is no disciplinary action taken by SEBI or stock exchanges against our Company.

I. Litigation involving the Directors of our Company

A. Outstanding litigation against our Directors

Cases filed against the Directors

Mr. Pramod Maheshwari

1. Revenue Cases

Service Tax

- (a) A show cause notice bearing number V(CTC) 3/20/ST/2004/4605 dated May 12, 2004 was served upon Mr. Pramod Maheshwari by the Assistant Commissioner, Central Excise Division, Kota, calling upon them to tender service tax amounting to Rs. 2,495,872 alongwith interest at 15% p.a. and a penalty thereon. The Additional Commissioner passed an order dated December 23, 2005 against Mr. Pramod Maheshwari demanding payment of Rs 2,495,872 along with interest and penalty. Against this order he filed an appeal before the office of the Commissioner (Appeals -1), Customs and Central Excise, Jaipur asking them to set aside the previous order passed by the Additional Commissioner. The Commissioner Appeals set aside the impugned order, but, an appeal was filed by the service tax authorities against this order before the CESTAT. The CESTAT by its order dated December 16, 2008 asked him to pay the service tax as had been originally levied upon him and against the order of the CESTAT, he filed an appeal before the High Court of Rajasthan,

Division Bench, Jaipur, and the same has been accepted. Mr. Pramod Maheshwari has been stayed from depositing the amount of the service tax as he has presented a fixed deposit receipt for the amount to be paid as a guarantee.

Income Tax

- (a) Mr. Pramod Maheshwari received an impounding order dated December 5, 2009 under section 133A(3)(ia) of the Income Tax Act from the Assistant Director of Income Tax, Jaipur with respect to the search and seizure operation conducted under our office premises and residence of our Promoters . For further details of this matter, please refer to “*Outstanding litigation against our Company*” on page 200.
- (b) A notice under section 143(2) of the Income Tax Act dated March 23, 2007 was issued to Mr. Pramod Maheshwari, in connection with assessment year 2006-2007 to attend the office of the Assistant Commissioner, Income Tax, Circle – 1, Kota on April 10, 2007. An order was passed and appeal was filed on January 19, 2008 before the Commissioner (Appeals), Kota for the tax liability amounting to Rs. 2,681,690. The appeal was partly allowed in favour of Mr. Pramod Maheshwari vide order dated February 4, 2010. Aggrieved by the said order, the Deputy Commissioner of Income Tax has filed an appeal before the Income Tax Appellate Tribunal. The hearing in relation to the appeal is yet to commence.
- (c) A notice under section 143(2) of the Income Tax Act dated September 3, 2009 was issued to Mr. Pramod Maheshwari, in connection with the assessment year 2008-2009, to attend the office of the Assistant Commissioner, Income Tax Circle - 1, Kota on September 18, 2009. The hearing is yet to commence.
- (d) Notices under section 153A of the Income Tax Act

Mr. Pramod Maheshwari has received notices dated January 29, 2010 under section 153A of the Income Tax Act pursuant to the search conducted under section 132 of the Income Tax Act on Mr. Pramod Maheshwari on December 4, 2009. Mr. Pramod Maheshwari has been requested to furnish true and correct return of income with respect to him that is assessable for the assessment years 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 within 30 days from the service of the notices.

Mr. Nawal Kishore Maheshwari

1. Revenue Cases

Service Tax

- (a) A show cause notice bearing number V(ST)CAREER POINT/37/JPR-1/04/2689 dated October 1, 2004 was issued by the office of the Deputy Commissioner of Central Excise Division 1, Jaipur to Mr. Nawal Kishore Maheshwari asking him to explain the short payment of service tax amounting to Rs. 495,895. The service tax authorities claimed recovery to this alongwith interest and penalty under sections 75, 76 and 78 of the Finance Act, 1994. He filed his reply through a letter dated December 9, 2004, requesting permission for a personal hearing before the Deputy Commissioner, Kota. A personal hearing before the Deputy Commissioner, Kota was granted on January 28, 2008 and currently Mr. Nawal Kishore Maheshwari is awaiting the final proceedings to take place.

Income Tax

- a) Mr. Nawal Kishore Maheshwari received an impounding order dated December 5, 2009 under section 133A (3) (ia) of the Income Tax Act from the Assistant Director of Income Tax, Jaipur with respect to the search and seizure operation conducted under our office premises and residence of our Promoters. For further details of this matter, please refer to “*Outstanding litigation against our Company*” on page 200.
- b) A notice under section 143(2) of the Income Tax Act dated September 11, 2009 was issued to Mr. Nawal Kishore Maheshwari, in connection with the assessment year 2008-2009, to attend the office of the Assistant Commissioner, Income Tax circle - 1, Kota on October 6, 2009. The hearing is yet to commence.
- c) Mr. Nawal Kishore Maheshwari has received notices dated January 29, 2010 under section 153A of the Income Tax Act pursuant to the search conducted under section 132 of the Income Tax Act on Mr. Nawal Kishore Maheshwari on December 4, 2009. Mr. Nawal Kishore Maheshwari has been requested to furnish true and correct return of income with respect to him that is assessable for the assessment years 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 within 30 days from the service of the notices.

Mr. Om Prakash Maheshwari

1. Revenue Cases

Income Tax

- (a) Mr. Om Prakash Maheshwari received an impounding order on December 5, 2009 under section 133A (3) (ia) of the Income Tax Act, 1961 from the Assistant Director of Income Tax, Jaipur with respect to the search and seizure operation conducted under our office premises and residence of our Promoters. For further details of this matter, please refer to “*Outstanding litigation against our Company*” on page 200.
- (b) Mr. Om Prakash Maheshwari has received notices dated January 29, 2010 under section 153A of the Income Tax Act pursuant to the search conducted under section 132 of the Income Tax Act on Mr. Om Prakash Maheshwari on December 4, 2009. Mr. Om Prakash Maheshwari has been requested to furnish true and correct return of income with respect to him that is assessable for the assessment years 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 within 30 days from the service of the notices.

Cases filed by our Directors

Mr. Pramod Maheshwari

1. Revenue Cases

Income Tax

- (a) Mr. Pramod Maheshwari filed an appeal dated March 29, 2006 for the assessment year 2003-2004 before the Commissioner of Income Tax (Appeals), Kota, against the assessment order passed by the Assessing Officer under section 143(3) of the Income Tax Act, 1961. The assessing officer had asked for income tax to be paid on sale of application forms for IIT/PET/PMT courses and the classes conducted for it. Accordingly, the hearing was concluded on November 11, 2007 and an order was passed on December 12, 2007 to pay the tax amounting to Rs. 725,000. Mr. Pramod Maheshwari filed an appeal against this order before the Income Tax Appellate

Tribunal. The order was passed in favour of him but the Department of Income Tax has filed an appeal against it in the High Court, Rajasthan. Mr. Pramod Maheshwari has not received a notice till date in relation to the appeal.

2. Consumer Complaints

- a) Our Company and Mr. Pramod Maheshwari has filed a consumer complaint number 355/08 dated July 19, 2007 under section 12 of the Consumer Protection Act, 1986 against The Oriental Insurance Company Limited, before District Consumer Dispute Redressal Forum, Kota for deficiency in services and unfair trade practices under an umbrella insurance policy which he had purchased on July 29, 2005. The claim had been filed with reference to the theft of a projector which had been rejected by The Oriental Insurance Company Limited. The total amount of claim involved is Rs. 105,500 and the arguments for the case have commenced. The next date of hearing is October 14, 2010.
- b) Mr. Pramod Maheshwari has filed a consumer complaint number 57/07 on January 18, 2007 against Bajaj Allianz Life Insurance Limited. Mr. Pramod Maheshwari submitted the switching form (to change the investment options for his insurance policy), however, the insurance company failed to transfer the entire amount into the new scheme. Hence, Mr. Pramod Maheshwari has accused Bajaj Allianz Life Insurance Limited with unfair trade practices and deficiency in consumer services. The matter is currently pending and the next date of hearing is September 9, 2010.

3. Criminal Complaints

- (a) Mr. Pramod Maheshwari has filed a complaint bearing number 775/04, under section 138 of the Negotiable Instruments Act, 1881, against Mr. Neeraj Kumar before the Magistrate First Class at Kota on March 25, 2004. Mr. Neeraj Kumar borrowed a total sum of Rs. 350,000 for his personal needs from time to time from Mr. Pramod Maheshwari and he repaid a sum of Rs. 150,000 in cash and issued a cheque for the balance amount of Rs. 200,000. The aforesaid cheque was dishonored and thus, Mr. Pramod Maheshwari filed a complaint under section 138 of the Negotiable Instruments Act, 1881. The Magistrate had taken cognizance of this matter and the next date of hearing is December 3, 2010.

4. Notices issued

Mr. Pramod Maheshwari and our Company (“**Plaintiffs**”) have filed a notice of opposition bearing application number 1635801 under Section 21(1) and Rule 47(1) of the Trade Marks Act, 1999 before the Registrar of Trademarks, Chennai for opposing the registration of a trademark sought by Career Point Consultants Private Limited advertised in the Trade mark journal dated June 16, 2009 under class 35. The Plaintiffs have opposed the granting of this trademark as the mark “CAREER POINT” is exclusively associated with the opponent and it is the opponent’s property; hence, by seeking to register a deceptively similar trademark, the applicant is invading the opponent’s property rights.

5. Civil Cases

- a) Mr. Pramod Maheshwari and our Company (“**Plaintiffs**”) have filed a plaint before the District Court at Jaipur against “Career Point” Patiala, Punjab (“**Defendant**”) for temporary injunction to restrain them for using the mark and logo “CAREER POINT.” The Defendant has registered the trademark under class 16 of the Trademarks Act, 1999. Mr. Pramod Maheshwari has also filed an application for the same mark and logo in the Trademarks Registry, Ahmedabad under class 41 as a prior user of the mark. On July 14, 2008, the District Court at Jaipur issued summons

to Career Point at Patiala, Punjab for appearance on July 18, 2008. The next date of hearing is October 14, 2010.

- b) Mr. Pramod Maheshwari and our Company (“**Plaintiffs**”) filed a plaint bearing number 294/08 on May 16, 2008 before the District Court at Jaipur against Rishabhdev Education and Research Institute, Raipur, Chattisgarh (“**Defendant**”) for temporary injunction to restrain them from using the mark and logo “CAREER POINT”. The Defendant has registered the trademark under the Trademarks Act, 1999 on May 16, 2008. On May 16, 2008, District Court, Jaipur issued summons to Rishabhdev Education and Research Institute, Raipur, Chattisgarh to appear before them on May 20, 2008. On account of non appearance of the Defendant on May 20, 2008 and after hearing the Plaintiffs in the suit filed by them, the Court granted the Plaintiffs a temporary injunction. The Defendant then, pleaded before the District and Sessions Judge that they did not have the jurisdiction to try the suit. However, the court overruled their contention and granted the injunction in favour of our Company and Mr. Pramod Maheshwari. The Defendant then filed an appeal before the Rajasthan High Court, Jaipur bench. Defendant has filed deed of assignment dated November 4, 2005 entered between Mr. Ashish Agarwal and Rishabhdev Education and Research Institute, Raipur, Chattisgarh wherein Mr. Ashish Agarwal has assigned the trademark “Career Point” since August 1992 to the said institute. The next date of hearing is September 1, 2010 in District Court and next date of hearing before High Court of Rajasthan is August 27, 2010.
- c) Mr. Pramod Maheshwari filed an application in the matter of trade mark number 1407597 on September 8, 2008 for the removal of trade mark “Career Point” from the Register of Trademarks under sections 47, 57, 125 of the Trade Marks Act, 1999. This application was filed before the Intellectual Property Appellant Board, Chennai against Rishabhdev Education and Research Institute, Raipur, Chattisgarh as Rishabhdev Education and Research Institute had wrongly infringed on a trademark registered in class 41 by Mr. Pramod Maheshwari. Thereafter, the Intellectual Property Appellate Board, Chennai issued direction to Rishabhdev Education and Research Institute to file a counter statement through its letter dated December 5, 2008. Rishabhdev Education and Research Institute filed its counter statement on February 21, 2009. The matter is currently pending and the hearing is yet to commence.

Mr. Om Prakash Maheshwari

1. Criminal Complaint

- a) Mr. Om Prakash Maheshwari has filed a complaint bearing number 843/2006 on September 28, 2006, under section 138 of the Negotiable Instruments Act, 1881, against Mr. Sanjeev Singhal before the Magistrate First Class at Kota. Mr. Sanjeev Singhal had borrowed an amount of Rs. 110,000 for his personal needs and to repay the borrowed amount he had issued a cheque of Rs. 110,000 which was dishonoured. The Magistrate has taken cognizance of the matter and the next date of hearing is August 27, 2010.
- b) Mr. Om Prakash Maheshwari has filed a complaint bearing no. 581/2006 on July 27, 2006, under section 138 of the Negotiable Instruments Act, 1881, against Mr. Parvez Ahmed before the Additional Chief Judicial Magistrate Number 5, Kota. Mr. Parvez Ahmed borrowed a total sum of Rs. 66,000 for his personal needs and to repay the entire amount by issuing two cheques of Rs. 33,000 each, both of which were dishonoured. The Magistrate has taken cognizance of the matter and the next date of hearing is September 27, 2010.

- c) Mr. Om Prakash Maheshwari filed a complaint bearing number 498/2005 on March 10, 2005, under section 138 of the Negotiable Instruments Act, 1881, against Mr. Yogesh Goyal before the Magistrate First Class at Kota. Mr. Yogesh Goyal borrowed a total sum of Rs. 35,000 for his personal needs and to repay the entire amount he issued a cheque of Rs. 35,000 which was dishonored. The Magistrate has taken cognizance of the matter and the next date of hearing is November 10, 2010.

B. Proceedings initiated against the Directors for economic offences

There are no proceedings initiated against our Directors for any economic offences.

C. Details of past penalties imposed on our Directors

There are no past penalties imposed on our Directors.

D. Criminal proceedings initiated against the Directors

There are no criminal proceedings initiated against our Directors as on the date of filing the Red Herring Prospectus.

E. Tax proceedings initiated against the Directors

There are no criminal proceedings initiated against our Directors towards tax liabilities as on the date of filing the Red Herring Prospectus.

II. Litigation involving our Subsidiary

1. Career Point Edutech Limited

There are no outstanding litigations by and against Career Point Edutech Limited.

2. Career Point Infra Limited

There are no outstanding litigations by and against Career Point Infra Limited.

III. Litigation involving the Promoters of our Company

A. Outstanding litigation and material developments/proceedings against our Promoters

For a detailed understanding of the litigation against our Promoters, see the section titled *“Outstanding Litigation And Material Developments-Litigation involving the Directors of our Company”* at page 217.

B. Outstanding litigation and material developments/proceedings filed by our Promoters

For a detailed understanding of the litigation proceedings filed by our Promoters, see the Section titled *“Outstanding Litigation And Material Developments-Litigation involving the Directors of our Company”* at page 217.

C. Details of past penalties imposed on our Promoters

There are no past penalties imposed on our Promoters.

D. Proceedings initiated against our Promoters for economic offences

There are no proceedings initiated against our Promoters, for any economic offences.

E. Litigation/Defaults in respect of companies/firms/ventures which our Promoters were associated in the past

There are no outstanding litigation/defaults in respect of companies/firms/ventures with which the Promoters were associated in the past.

F. Adverse findings against any persons/entities connected with our Promoters as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Promoters with regard to non compliance with securities law.

G. Criminal proceedings initiated against the Promoters

There are no criminal proceedings initiated against our Promoters as on the date of filing the Red Herring Prospectus.

H. Civil proceedings initiated against the Promoters

There are no civil proceedings initiated against our Promoters as on the date of filing the Red Herring Prospectus.

I. Tax proceedings initiated against the Promoters

There are no criminal proceedings initiated against our Promoters towards tax liabilities as on the date of filing the Red Herring Prospectus.

J. Litigation against the Promoters for violation of statutory regulations

There are no proceedings initiated against our Promoters for violation of statutory regulations as on the date of filing the Red Herring Prospectus.

IV. Litigation involving our Group Companies and entities

A. Outstanding litigation and material developments/proceedings against Group Companies and entities

- (i) Global Public School situated at Kota managed by Gopi Bai Foundation Trust has received a notice of inspection from CBSE, New Delhi dated April 15, 2010 bearing letter number CBSE/AFF/1730298/2010/234141 addressed to the Principal, Sainik School Chittorgarh and Lady Anusuya Singhanian Educational Academy, Jhalawar (“**Inspection Committee**”) (and marking a copy of correspondence to us). CBSE in its letter has requested the Inspection Committee *inter alia* to verify the complaint made by Mr. P. S. Sharma regarding undertaking of coaching services at the school premises under the name of and style of “Career Point” coupled with public interest litigation filed by Mr. Mukesh Kumar against our Company.

The Principal, Global Public School is not in receipt of any complaint from Mr. P. S. Sharma and therefore has requested CBSE vide letter dated May 29, 2010 to provide details of such complaint in order to prepare a suitable reply. For details in relation public interest litigation filed by Mr. Mukesh Kumar is concerned, please see page 207.

- (ii) Gopi Bai Foundation Trust is in receipt of an inspection letter dated May 5, 2010 from Assistant Commissioner, Devasthan Vibhag, Kota for inspection of certain documents at their office premises on May 20, 2010. The inspection has been undertaken by the office

of Assistant Commissioner, Devasthan Vibhag. However, we await receipt of any correspondence, post such inspection, from the office of Assistant Commissioner. (iii) A litigation no. 96/10 was filed by Mr. Nathu against Sankalp Foundation on June 28, 2010 before Assistant Magistrate, Jaipur to grant stay order for land (Khasra No 405 and 405/630) purchased by the trust at Village Achrawala Tehsil Sanganer, Jaipur, Rajasthan. The next date of hearing is September 7, 2010.

B. Outstanding litigation filed by our Group Companies and entities

- (i) Maheshwari Brothers has filed a complaint on July 19, 2010 before the Magistrate, Kota, against M/s Ramnath Krishan Gopal, a partnership firm and its partner Mr. Panachand Vijay Vergiya and Mr. Om Prakash Vijayvergia under section 138 of the Negotiable Instruments Act, 1881, for the dishonour of a cheque for an amount of Rs. 500,000 issued in favour of Maheshwari Brothers for certain outstanding liabilities. The case is pending and the next date of hearing is August 28, 2010.

C. Details of past penalties imposed on our Group Companies and entities

There are no past penalties imposed on our Group Companies and entities.

D. Proceedings initiated against Group Companies and entities for economic offences

No proceedings have been initiated against our Group Companies and entities for any economic offences.

E. Adverse findings against any persons/entities connected with our Promoters as regards non compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Promoters with regard to non compliance with securities law.

F. Proceedings initiated against the Group Companies and entities involving labour disputes or closure.

There has been no litigation against our Group Companies and entities with respect to labour disputes or closures as on the date of filing the Red Herring Prospectus.

G. Proceedings against the Group Companies and entities with respect to default/overdues.

There has been no litigation against the Group Companies and entities with respect to default/overdues as on the date of filing the Red Herring Prospectus.

H. Material Developments since the last balance sheet

Except as disclosed in the section titled “*Management Discussion and Analysis of Financial Conditions and Results of Operations*” at page 181, there are no material developments which would affect the business and operations of our Company.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the government and various governmental agencies required for our present business and except as mentioned below, no further material approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

Approvals for the Issue

1. In-principle approval from the BSE dated April 22, 2010.
2. In-principle approval from the NSE dated April 23, 2010.

General

1. Company Identification Number - U72200RJ2000PLC 016272.
2. Certificate of Incorporation dated March 31, 2000.
3. Certificate of commencement of business issued by Registrar of Companies by its certificate dated April 11, 2000.

Taxation Related Approvals

1. Permanent Account Number - AABCC4963A.
2. Service Tax Code Number AABCC4963AST001, issued by the Central Excise Division, dated August 8, 2003.
3. Tax Deduction Account Number JDHC01357G, issued by the Income Tax Department, dated September 13, 2004.
4. VAT Registration Number 08192958657, issued by the Assistant Commissioner, dated August 6, 2010.

Other Approvals

1. Registration under Employees State Insurance Act, by a letter dated September 13, 2004, bearing number 15/19126/90, issued by the Employee State Insurance Corporation. The registration under the Employees State Insurance Act has been re-cast to 15000191260001303 by the Employee State Insurance Corporation by their letter dated March 22, 2010.
2. Registration under The Provident Funds Act by a letter dated April 25, 2007 bearing number RJ/PF/11231, issued by the Regional Provident Fund Commissioner.

Shops and Establishment

1. Certificate of registration dated April 1, 2008 bearing registration number 8967 issued by the Inspector under Shops and Establishments Act, 1958, certifying that our Nagpur Branch is registered as a commercial establishment.

2. Certificate of registration dated May 5, 2008 bearing registration number SH/1604/R-C-16/P-172/08 issued by Inspector under Shops and Establishments Act, 1958, certifying that our Jaipur Branch is registered as a commercial establishment.
3. Certificate of registration dated May 12, 2008 bearing registration number 57/CE/7(2) issued by Inspector under Shops and Establishments Act, 1958, certifying that our Udaipur Branch is registered as a commercial establishment.
4. Certificate of registration dated August 7, 2008 bearing registration number C/2042/2008 issued by Inspector under Shops and Establishments Act, 1958, certifying that our Jodhpur Branch is registered as a commercial establishment.
5. Certificate of registration dated August 1, 2008 bearing registration number D.V.B.AJ.GA35/8969 issued by Labour Department, Uttar Pradesh, under Shops and Establishments Act, 1958, certifying that our Noida Branch is registered as a commercial establishment. The registration is valid till March 31, 2013.
6. Certificate of registration dated April 6, 2005 bearing registration number C/SH/4235/05 issued by the Inspector under Shops and Establishments Act, 1958, certifying that our Kota Branch is registered as a commercial establishment.

Approvals related to land


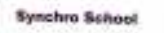


1. Permission for change in land use of industrial plot E-8(i) of Indraprastha Industrial Area, Kota for commercial use from Rajasthan State Industrial Development & Investment Corporation Limited dated February 23, 2010 vide letter number U(16)-3/10076.
2. No objection certificate from the Airports Authority of India in relation to construction of the proposed commercial complex at industrial plot E-8(i) of Indraprastha Industrial Area, Kota dated July 20, 2010 vide letter no. AAI/NOC/2010/232/1465-1467.
3. Permission from the Superintendent of Police, Kota in relation to construction of the proposed commercial complex at industrial plot E-8(i) of Indraprastha Industrial Area, Kota dated July 2, 2010 vide letter no. 6773.
4. No objection certificate from the Chief Firefighting Officer, Kota in relation to construction of the proposed commercial complex at industrial plot E-8(i) of Indraprastha Industrial Area, Kota dated June 11, 2010 vide letter no. 185.

Intellectual Property related approvals

1. Certificate of registration by Registrar of Trademarks for our trademark “ **TechEdge** ”, dated April 21, 2010 under class 41 for a period of ten years, bearing trade mark no. 1702360.

Applications made for grant of approvals

1. Our Company has made an application for renewal of the consent bearing reference number RPCB/ROK/K-568/5097 dated March 21, 2009 granted to it under Section 25/26 of the of the Water (Prevention and Control of Pollution) Act, 1974 by the Rajasthan State Pollution Control Board. The application has been made on December 22, 2009 for renewal of the license for a period of two years.
2. Our Company has made an application dated December 22, 2009 for renewal of the consent bearing reference number RPCB/ROK/K-568/5097 dated March 21, 2009 to the Regional Officer, Rajasthan State Pollution Control Board for renewal of the consent to our Company to establish / operate under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981.

3. Our Company has made application for registration of its trade mark “  ” under the Trade Marks Act, 1999, to the Trade Mark Registry, by its application dated June 23, 2008, bearing number 1702358.
4. Our Company has made application for registration of its trade mark “  ” under the Trade Marks Act, 1999, to the Trade Mark Registry, by its application dated December 31, 2008 bearing number 1770997.
5. Our Company has made application for registration of its trade mark “  ” under the Trade Marks Act, 1999, to the Trade Mark Registry, by its application dated February 5, 2010.
6. Our Company has made application for registration of its trade mark “  ” under the Trade Marks Act, 1999, to the Trade Mark Registry, by its application dated February 3, 2010 bearing number 1916082.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has, pursuant to resolution passed at its meeting held on January 1, 2010, authorised the Issue subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act. The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to section 81(1A) of the Companies Act, held on January 5, 2010.

We have obtained all necessary governmental, regulatory consents and approvals and have received all necessary contractual consents required for the Issue. For further details, see the section titled “*Government and Other Approvals*” at page 225.

Prohibition by SEBI, RBI or governmental authorities

Except as provided under the section titled “*Outstanding Litigation and Material Developments*” at page 198, our Company, our Subsidiaries, our Directors, our Promoters, and the members of our Promoter Group with which our Directors are associated as directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Our Company, our Subsidiaries, the directors of our Subsidiaries, our Promoters, Associates, Promoter Group Companies or relatives of the Promoters, Directors and the companies in which the Directors are associated as directors, have not been declared as wilful defaulters by the RBI or any other governmental authority and there has been no violation of any securities law committed by any them in the past and no such proceedings are pending against any of them.

Eligibility for the Issue

Our Company is an unlisted company, complying with the conditions specified in Regulation 26(2) of the SEBI Regulations in the following manner:

Regulation 26(2) of the SEBI Regulations states:

An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:

- a. (i) *the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers ;*

or

- (ii) *at least fifteen per cent. of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent shall come from the appraisers and the issuer undertakes to allot at least ten per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;*

and

- b. (i) *the minimum post-issue face value capital of the issuer is ten crore rupees;*
 - or*
 - (ii) *the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:*
 - (A) *the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any*

time, exceed ten per cent;

(B) the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent. of the proposed issue.

We are an unlisted Company not complying with the conditions specified in Regulation 26 (1) of the SEBI Regulations and therefore we are required to meet the conditions detailed in Regulation 26(2), which are as follows:

- We are complying with Regulations 26(2)(a) of the SEBI Regulations and at least 60% of the Net Issue is proposed to be allotted to QIBs (in order to comply with the requirements of 19(2)(b) of the SCRR) and in the event we fail to do so, the full subscription monies will be refunded to the Bidders.
- We are also complying with Regulation 26(2)(b) of the SEBI Regulation and the post-issue face value capital of the Company shall be [●] million which is more than the minimum requirement of Rs. 100 million.

Further, in accordance with Clause 26(4) of the SEBI Regulations, we shall ensure that the number of Allottees shall be not less than 1,000.

Further, the Issue is subject to the fulfillment of the following conditions as required by Rule 19(2)(b) SCRR:

- A minimum 2,000,000 Equity Shares (excluding reservations, firm allotments and promoters contribution) are offered to the public;
- The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and
- The Issue is made through the Book Building method with allocation of 60% of the Net Issue size to QIBs as specified by SEBI.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 FOR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 24, 2010 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

WE STATE AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - (A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 ("ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
6. **WE CERTIFY THAT REGULATION 33 OF THE ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE.
- AS THE OFFER SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
- (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE ICDR REGULATIONS WHILE MAKING THE ISSUE.

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

The filing of the Red Herring Prospectus does not, however, absolve our Company from any liabilities under section 63 or section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of section 56, section 60 and section 60B of the Companies Act.

Caution: Disclaimer from the Company, the Directors and the Book Running Lead Managers

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including the Company's website www.careerpointgroup.com, or the website of any Subsidiary, any Promoter, Promoter Group company, or of any affiliate or Associate of the Company or its Subsidiaries, would be doing so at his or her own risk.

The Book Running Lead Managers accepts no responsibility, save to the limited extent as provided in the agreement entered into among the Book Running Lead Managers and our Company on February 20, 2010, and the underwriting agreement to be entered into between the Underwriters and the Company.

All information shall be made available by the Company and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor the Underwriters is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to the Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not Issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India, including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, NIF and permitted Non-Residents including FIIs and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to hold the Equity Shares.

The Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Jaipur, 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 the Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares will be offered and sold only (i) outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required must agree in the CAN that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer clause of the BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to the BSE. BSE has given vide its letter dated April 22, 2010, permission to the Company to use BSE's name in the Red Herring Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed. BSE has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. The BSE does not in any manner:

- (i) warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; or

- (ii) warrant that the Company's securities will be listed or will continue to be listed on the BSE; or
- (iii) take any responsibility for the financial or other soundness of the Company, Promoters, the management or any scheme or project of the Company;

and it should not for any reason be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. NSE has given vide its letter ref.: NSE / LIST/136034 - D dated April 23, 2010 permission to the Issuer to use the NSE's name in the Red Herring Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed. The NSE has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that this Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Company, Promoters, the management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer clause of CARE

Care's IPO Grading is a onetime assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earning prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

Filing

A copy of this Red Herring Prospectus will be filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, Plot No. C-4A, 'G' Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, will be delivered for registration with the RoC at the office of the RoC and a copy of the Prospectus to be filed under section 60 of the Companies Act will be delivered for registration with the RoC at the office of the RoC.

Listing

Applications have been made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. The BSE will be the Designated Stock Exchange with which the 'Basis of Allocation' will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company become liable to repay it, i.e. from the date of refusal or within 15 days from the Bid/Issue Closing Date, whichever is earlier, then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of finalization of the Bid/Issue Closing Date.

Impersonation

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

“Any person who:

- (a) Makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- (b) Otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name*

shall be punishable with imprisonment for a term which may extend to five years.”

Consents

Consents in writing of: the Directors, the Company Secretary and Compliance Officer, the auditors, the legal counsels, the lenders, the Bankers to the Company, the Bankers to the Issue; and the Book Running Lead Managers, the Syndicate, the Bankers to the Issues and the Registrar to the Issue to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC as required under sections 60 and 60B of the Companies Act and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Regulations, Sharp & Tannan, Chartered Accountants have agreed to provide their written consent to the inclusion of their report in the form and context in which it will appear in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the RoC.

Sharp & Tannan, Chartered Accountants, have given their written consent to inclusion of their report relating to the possible tax benefits accruing to the Company and its shareholders in the form and context in which it appears in this Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the RoC.

Credit Analysis & Research Limited, the agency engaged by our Company for the purpose of obtaining IPO grading in respect of this Issue, will give its written consent to the inclusion of their report in the form and context in which it will appear in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the RoC.

As the offered Equity Shares have not been and will not be registered under the US Securities Act of 1933, Sharp & Tannan, Chartered Accountants have not issued and our Company has not filed their consent under the US Securities Act of 1933.

Expert Opinion

Except as stated in this Red Herring Prospectus, we have not obtained any expert opinions.

Issue Related Expenses

Except as disclosed in the section “*Objects of the Issue*” at page 81, the expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees.

The estimated Issue expenses are as under:

Activity	Expense millions)*	(Rupees	As % of total Issue related Expenses	As % of Issue
Fee payable to Book Running Lead Managers, Underwriting commission and SCSBs' commission		[●]	[●]	[●]
Advertising and marketing expenses		[●]	[●]	[●]
Printing, stationery and distribution expenses		[●]	[●]	[●]
Other (Registrar's fees, legal fees, regulatory fees, listing fees, IPO grading fees etc.)		[●]	[●]	[●]
Total estimated Issue expenses		[●]	[●]	[●]

* Details will be provided after finalisation of the Issue Price.

Fees, Brokerage and Selling Commission Payable to the Book Running Lead Managers and the Syndicate

The total fees payable to the Book Running Lead Managers and the Syndicate Member (including underwriting commission and selling commission) will be as stated in the engagement letter with the BRLMs dated December 7, 2009 and January 8, 2010, a copy of which will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the memorandum of understanding dated February 10, 2010 signed with our Company, a copy of which will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

IPO Grading

This Issue has been graded by Credit Analysis & Research Limited and has been assigned the “CARE IPO Grade 3” indicating average fundamentals, through its letters dated August 25, 2010 and April 19, 2010, which is valid for a period of three months from the date of the issue of the letter. The IPO grading is assigned on a five point scale from 1 to 5 with an “IPO Grade 5” indicating strong fundamentals and an “IPO Grade 1” indicating poor fundamentals. A copy of the report provided by Credit Analysis & Research Limited, furnishing the rationale for its grading shall be annexed to this Red Herring Prospectus and will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Particulars regarding Public or Rights Issues during the last ten years

Our Company has not made any previous public issues (including any rights issues to the public) in the ten years preceding the date of the Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the section titled “*Capital Structure*” at page 64 our Company has not issued any shares for consideration other than cash.

Underwriting commission, brokerage and selling commission on Previous Issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s inception.

Companies under the Same Management

Our Company does not have any companies under the same management within the meaning of section 370(1) (B) of the Companies Act, other than our Subsidiaries and Group Companies and entities, the details of which are provided in the sections titled “*History and Certain Corporate Matters*” and “*Our Promoters and Group Companies*” at pages 134 and 160, respectively.

Previous Public Issues by Companies under the Same Management

No company under the same management within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issue to the public) during the last ten years.

Promise v/s performance

There has been no public issue (including any rights issue to the public) by our Company, Group Companies and entities, our Subsidiaries or the associate companies.

Outstanding Debentures or Bond Issues or Preference Shares

Except as stated in the section titled “*Capital Structure*” at page 64, our Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Other Disclosures

Except as stated in the section titled “*Capital Structure*” at page 64, our Promoter Group, the directors of our Promoters, or the Promoter Group companies and entities or the Directors of our Company have not purchased or sold any securities of our Company during a period of six months preceding the date on which the Draft Red Herring Prospectus is filed with the SEBI.

Mechanism for Redressal of Investor Grievances

The memorandum of understanding between the Registrar to the Issue and the Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Tarun Kumar Jain as the Company Secretary and Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Tarun Kumar Jain
Career Point Infosystems Limited
112B, Shakti Nagar
Kota – 324 009
Rajasthan, India
Tel: +91-744-2500492, 2500092
Fax: +91-744-2500892
Email: ipo@careerpointgroup.com

Disposal of investor grievances by listed companies under the same management as the Company

For details regarding the mechanism for redressal of investor complaints in regard to the listed companies under the same management for the period three years prior to the date of the Draft Red Herring, please see the section titled “*Our Promoters and Group Companies*” at page 160.

Change in Auditors

At the EGM held on November 12, 2007, the shareholders of our Company have appointed Sharp & Tannan, Chartered Accountants, as the statutory auditors of our Company in place of P. Khandelwal & Co., Chartered Accountants.

Capitalisation of Reserves or Profits

Other than as stated in the section titled “*Capital Structure*” at page 64, our Company has not undertaken any capitalisation of reserves or profits since incorporation.

Tax Implications

Investors that are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the stock exchanges. For details, see the section “*Statement of Tax Benefits*” at page 91.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the ASBA Form, the Revision Form, the CAN, the listing agreement with the Stock Exchanges and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the FIPB, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

Our Board of Directors has, pursuant to resolution dated January 1, 2010 authorised the Issue subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a resolution dated January 5, 2010 under section 81(1A) of the Companies Act, authorised the Issue.

The IPO Committee has, pursuant to a resolution dated September 3, 2010 approved this Red Herring Prospectus.

Our Company has obtained in-principle listing approvals dated April 22, 2010 and April 23, 2010 from the BSE and the NSE, respectively.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares including rights in respect of dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled “Main Provisions of the Articles of Association” at page 284.

Mode of Payment of Dividend

Our Company shall pay dividends to its shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of each Equity Share is Rs. 10. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination of Equity Shares, subject to applicable law.

Rights of the Equity Shareholder

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

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;

- The right to freely transfer their Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation/splitting, see the section titled “*Main Provisions of the Articles of Association*” at page 284.

Market Lot and Trading Lot

Under section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall be in dematerialised form only. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts in Jaipur, India.

Nomination Facility to Investor

In accordance with section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted 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 benefits such person 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 the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can only be made on the prescribed form available on request at the Registered Office or with the Registrar and transfer agents of our Company.

In accordance with section 109B of the Companies Act, any person who becomes a nominee by virtue of 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:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to register 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.

Since the Allotment will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue including devolvment to the Underwriters, within 60 days from the Bid/Issue Closing Date, we shall forthwith refund the entire

subscription amount received. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. If there is a delay beyond eight days after we become liable to pay the amount, we shall pay interest as per section 73 of the Companies Act.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Our Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, our Equity Shares are only being offered or sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Application by Eligible NRIs, FIIs and Sub-Accounts

It is to be distinctly understood that there is no reservation for NRIs, FIIs and Sub-Accounts.

Arrangement for disposal of odd lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

There are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting except as provided in our Articles. See the section titled “*Main Provisions of the Articles of Association*” at page 284.

Withdrawal of the Issue

Our Company, in consultation with the Book Running Lead Managers, reserves the right not to proceed with the Issue in accordance with SEBI Regulations. Provided, if our Company withdraws the Issue after the Bid/Issue Closing Date, we will give the reason thereof within two days of the Bid/Issue Closing Date by way of a public notice in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges shall also be informed promptly. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

ISSUE STRUCTURE

Public issue of up to [●] Equity Shares for cash at a price of Rs. [●] per Equity Share including a share premium of Rs. [●] per Equity Share, aggregating upto Rs. 1,150 million. The Issue comprises of the Net Issue and the Employee Reservation Portion. The Issue shall constitute up to [●]% approximately of the fully diluted post-Issue paid-up capital of our Company.

The Issue is being made through the Book Building Process.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
Number of Equity Shares*	At least [●] Equity Shares.	Not less than [●] Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than [●] Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.	Upto 65,000 Equity Shares.
Percentage of Issue available for Allotment/Allocation	At least 60% of the Net Issue shall be allotted to QIB Bidders. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 10% of the Net Issue or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 30% of the Net Issue or the Net Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.	The Issue less the Net Issue.
Basis of allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving	Proportionate.	Proportionate.	Proportionate.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	allocation as per (a) above.			
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds Rs. 100,000.	Such number of Equity Shares so that the Bid Amount exceeds Rs. 100,000.	[●] Equity Shares.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Net Issue, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.	Such number of Equity Shares not exceeding the size of the Employee Reservation Portion, subject to applicable limits.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply **	A mutual fund, venture capital fund and foreign venture capital registered with SEBI, FIIs and sub-account (other than a sub-account which is a foreign corporate or foreign individual), a public financial institution as defined in section 4A of the Companies Act, schedule commercial banks, multilateral and bilateral development financial institutions, state industrial development corporation, an insurance company registered with IRDA, provident funds with a minimum corpus of Rs. 250 million, pension funds with a	Eligible NRIs, Resident Indian individuals, HUF (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals (including ASBA Bidders and HUFs in the name of the Karta) and Eligible NRIs.	Eligible Employees.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	minimum corpus of Rs. 250 million, national investment fund set up by the Government of India and insurance funds set-up and managed by army, navy or air force of the Union of India.			
Terms of Payment	Bid Amount shall be payable at the time of submission of the Bid cum Application Form to the Member of Syndicate.	Bid Amount shall be payable at the time of submission of the Bid cum Application Form to the Syndicate Member.	Bid Amount shall be payable at the time of submission of the Bid cum Application Form to the Syndicate Member. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the ASBA Form.	Bid Amount Applicable to Eligible Employees at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin amount***	Full Bid Amount on Bidding.	Full Bid Amount on Bidding.	Full Bid Amount on Bidding.	Full Bid Amount on Bidding.

- * Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19(2)(b) of the SCRR, this is an Issue for less than 25% of the post-Issue equity share capital, therefore, the Issue is being made through a Book Building Process wherein at least 60% of the Net Issue shall be allotted on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allotment on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion, Retail Portion and the Employee Reservation Portion would be allowed to be met with spill-over from other categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith.

The QIB Portion includes Anchor Investor Portion, as per the SEBI Regulations. Anchor Investor shall pay the entire Bid Amount at the time of submission of the application form. Provided further that any difference between the Anchor Investor Allocation Price and Anchor Investor Issue Price, shall be payable by Anchor Investor Pay-in Date.

- ** In case the Bid cum Application Form or ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form or ASBA Form, as the case may be.

- *** Any difference between the Anchor Investor Allocation Price and Anchor Investor Issue Price, shall be payable by Anchor Investor Pay-in Date.

Letters of Allotment, Refund Orders or Instructions to SCSBs

Our Company shall credit the Equity Shares to the valid beneficiary account with its Depository Participants within 12 Working Days from the Bid/Issue Closing Date.

Please note that only Bidders having a bank account at any of the centres where the clearing houses for the NECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 12 Working Days of the Bidding/Issue Closing Date “Under Certificate of Posting” for refund orders less than or equal to Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA for withdrawn, rejected or unsuccessful or partially successful ASBAs within 12 Working Days of the Bid/Issue Closing Date.

Eligible Employee Discount

Eligible Employees, whose bid amounts does not exceed Rs. 100,000 will be given a Eligible Employee Discount. Eligible Employees bidding at a price within the Price Band have to make payment based on their highest bid price option. Eligible Employees bidding at Cut-Off Price have to ensure payment at the upper end of the Price Band. Eligible Employees should note that discount is not offered on application but on allotment. The excess amount paid on application would be refunded to such Bidders after Allotment along with any other refund, if any.

Interest in case of delay in dispatch of Allotment Letters/ Refund Orders or instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days from the Bid/ Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done within 12 Working Days from the Bid/Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful Bids shall be made within 12 Working Days of the Bid/Issue Closing Date.
- It shall pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Working Days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 12 Working Days of the Bid/Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Bankers to the Issues/ Refund Banker(s) and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Account to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Bid/Issue Program

BID/ISSUE OPENS ON	SEPTEMBER 16, 2010
BID/ISSUE CLOSES ON	SEPTEMBER 21, 2010

Our Company may consider participation by Anchor Investors in terms of the SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/ Issue Opening Date. The Bidding for QIBs shall close one day prior to the Bid/Issue Closing Date.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding/Issue Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid/Issue Closing Date** (which for the QIBs Bidding under the Net QIB Portion will be a day prior to that of the other non Anchor Investor Bidders), **Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000 which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges within half an hour of such closure. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on Working Days, i.e., Monday to Friday (excluding any public holiday).

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic ASBA Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

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

Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with the SEBI Regulations. The cap shall not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional Working Days after such revision, subject to the total Bidding/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders may participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form or ASBA Form, as the case may be.

Book Building Procedure

The Issue is being made through the 100% Book Building Process. In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post Issue share capital, at least 60% of the Net Issue shall be Allotted to QIBs on a proportionate basis. Out of the Net QIB Portion, 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further 65,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employee, subject to valid bids being received at or above the Issue Price. Our Company may, in consultation with the Book Running Lead Managers, consider participation of Anchor Investors in accordance with SEBI Regulations. Allocation to Anchor Investors shall be on a discretionary basis.

All Bidders other than ASBA Bidders are required to submit their Bids through the members of Syndicate. ASBA Bidders are required to submit their Bids to SCSBs.

It may be noted that pursuant to the SEBI circular no. CIR/CFD/DIL/2/2010) dated April 06, 2010, SEBI has decided to extend the ASBA facility to QIBs in all public issues opening on or after May 1, 2010.

Pursuant to the notification no. LAD-NRO/GN/2010-11/03/1104) dated April 13, 2010, SEBI has provided that Anchor Investors shall pay, on application, the same margin amount, as is payable by other Bidders, and the balance, if any, within two days of the Bid Closing Date.

Investors should note that the Allotment will only be in dematerialised form. The Bid cum Application Forms or ASBA Forms, as the case may be, which do not have the details of the Bidders' depository account shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form and such Bids are liable to be rejected. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form and ASBA Form

The prescribed colour of the Bid cum Application Form and ASBA Form for various categories of Bidders is as follows:

Category	Colour of Bid cum Application Form/ ASBA Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA and Non ASBA)	White
Eligible NRIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), FVCIs and multilateral and	Blue

bilateral financial institutions and other Non-Residents, applying on a repatriation basis (ASBA and Non ASBA)	
Eligible Employees (ASBA and Non ASBA)	Green
Anchor Investors	Pink*

* *Bid cum Application Forms for Anchor Investors shall be available at our Registered Office, our Corporate Office and also at the offices of the Book Running Lead Managers.*

Bidders, other than ASBA Bidders, are required to submit their Bids through the Syndicate. Bidders (excluding ASBA Bidders) shall only use the specified Bid cum Application Form bearing the stamp of a member of a Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. Before being issued to the Bidders, other than ASBA Bidders, the Bid cum Application Forms shall be serially numbered and date and time stamped at the Bidding Centres and such form shall be issued in duplicate signed by the Bidder and countersigned by a member of the Syndicate. The Bid cum Application Form shall contain information about the Bidder, the price and the number of Equity Shares that the Bidder wishes to Bid for. The Bidder, shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

Upon filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder, other than ASBA Bidders, is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

Bidders can also submit their Bids through ASBA by submitting ASBA Forms, obtained from the Designated Branches, to the SCSB with whom the ASBA Account is maintained, authorising blocking of funds that are available in the ASBA Account. ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the relevant Designated Branch. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Form. Upon completing and submitting the ASBA Form to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/ ASBA Form as follows: “Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to compliance with

applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;

- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and their Sub-Accounts, other than a Sub-Account which is a foreign corporate or foreign individual, in the QIB Portion;
- Sub-Accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Funds registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund;
- Insurance funds set up and managed by the army, navy or air force of the Union of India; and
- Eligible Employees; and
- All other persons eligible to invest under all applicable laws, rules, regulations and guidelines.

In accordance with the FEMA and the regulations framed thereunder, OCBs cannot Bid in the Issue.

Anchor Investor Portion

Our Company may consider participation by Anchor Investors in the Issue for up to [●] Equity Shares in accordance with the applicable SEBI Regulations. The Anchor Investor Bid/Issue period shall be open one day prior to the Bid/Issue Opening Date. The QIB Portion shall be reduced to the extent of allocation under the Anchor Investor Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

- (a) Anchor Investors shall be QIBs as defined in the SEBI Regulations.

- (b) The Anchor Investor Bid must be for a minimum of such number of Equity Shares so that the Anchor Investor Bid Amount exceeds Rs. 100 million and in multiples of [●] Equity Shares thereafter. An Anchor Investor Bid cannot be submitted for more than the Anchor Investor Portion.
- (c) [●] Equity Shares out of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds.
- (d) The bidding for Anchor Investors shall open one day before the Bid/Issue Opening Date and shall be completed on the same day.
- (e) The Company, in consultation with the BRLMs, shall finalise allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of allottees.
- (f) The number of Equity Shares allocated to the Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid/Issue Opening Date.
- (g) Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. Any difference between the Anchor Investor Allocation Price and Anchor Investor Issue Price shall be payable by Anchor Investor Pay-in Date.
- (h) In case the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and Anchor Investor Price shall be paid by the Anchor Investors. In the event the Issue Price is lower than the Anchor Allocation Investor Price, the allotment to Anchor Investors shall be at Anchor Investor Issue Price.
- (i) The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.
- (j) The BRLMs or any person related to the BRLMs/Promoters/Promoter Group shall not participate in the Anchor Investor Portion.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- (l) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of Resident Anchor Investors: “Escrow Account – Career Point Public Issue – Anchor Investor – R”
 - In case of Non-Resident Anchor Investor: “Escrow Account – Career Point Public Issue – Anchor Investor - NR”

Participation by associates and affiliates of the Book Running Lead Managers and Syndicate Member

The Book Running Lead Managers and Syndicate Member shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations, as stated in the Prospectus. However, associates and affiliates of the Book Running Lead Managers and Syndicate Member or any persons related to the Book Running Lead Managers and Syndicate Member may subscribe to or purchase Equity Shares in the Issue, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such bidding and subscription may be on their own account or on behalf of their clients.

The Book Running Lead Managers, Syndicate Member and any persons related to them cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

At least one third of the Anchor Investor Portion will be available for allocation on a discretionary basis to Mutual Funds and 5% of the Net QIB Portion is available to be allocated to Mutual Funds on a proportionate basis, subject to receipt of valid Bids.

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

1. Bid cum Application Forms/ ASBA Forms have been made available for Eligible NRIs at the Registered Office and with the members of the Syndicate.
2. Eligible NRI applicants may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for Resident Indians.

Bids by FIIs

Under the extant law, the issue of Equity Shares to a single FII cannot exceed 10% of our post-Issue paid-up equity share capital. In respect of an FII investing in our Equity Shares on behalf of its Sub-Accounts, the investment on behalf of each Sub-Account shall not exceed 10% of our total issued equity share capital or 5% of our total issued equity share capital in case such Sub-Account is a foreign corporate or an individual permitted to make investments. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. The said 24% limit can be increased up to 100% by passing a resolution by the Board followed by passing a special resolution to that effect by the shareholders of our Company. Our Company has not obtained board or shareholders approval to increase the FII limit to more than 24%.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the “**SEBI FII Regulations**”), an FII or its Sub-Account may issue, deal or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are

issued after compliance with 'know your client' norms. The FII or Sub-Account is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the Book Running Lead Managers that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them. Any such offshore derivative instrument does not constitute any obligation or claim on or interest in, our Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000 *inter alia* prescribe the investment restrictions on VCFs and FVCIs.

Accordingly, the holding by any individual VCFs in one company should not exceed 25% of the corpus of the said VCF. Further, VCFs and FVCIs can invest only up to 33.33% of their investible funds by way of subscription to an initial public offer of a venture capital undertaking.

Bids by Insurance Companies

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part without assigning reasons thereof.

Bids made by Provident Funds

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of bidding at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The bidding at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

Eligible Employees applying under Employee Reservation Portion and intending to apply for Eligible Employee Discount also have to ensure that the Bid Amount does not exceed Rs. 100,000.

- (b) **For Non-Institutional Bidders and QIBs:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the Bid by a QIB

should not exceed the investment limits prescribed for them by applicable laws. **Under the SEBI Regulations a QIB cannot withdraw its Bid after the Bid Closing Date and is required to pay the entire Bid Amount upon submission of the Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the revised Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

- (c) **For Bidders in the Anchor Investor Portion:** The Bid by an Anchor Investor must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100 million and is in multiples of [●] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. Under the Anchor Investor Portion, a Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date.**

(d) **Bids by Eligible Employees**

For the purpose of the Employee Reservation Portion, Eligible Employee means all or any of the following:

A permanent and full-time employee, working in India or abroad of (i) our Company (ii) our Subsidiaries; and (iii) our material associate companies whose financial statements are consolidated with our Company's financial statements as per Accounting Standard 21 or a Director of our Company, whether wholetime or part-time, but excludes our Promoters and Promoter Group, as on the date of the Red Herring Prospectus, and who continues to be in the employment of our Company until submission of the Bid cum Application Form/ASBA Form.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. green colour form).
- Only Eligible Employees (as defined above) would be eligible to apply in this Issue under the Employee Reservation Portion.
- Eligible Employees, as defined above, should mention the Employee Number at the relevant place in the Bid cum Application Form.
- The sole/ first Bidder shall be the Eligible Employee as defined above.
- Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The Allotment in the Employee Reservation portion will be on a proportional basis. However, in no event shall the Allotment exceed Rs. 100,000.
- Eligible Employees who Bid for Equity Shares of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-off Price. This facility is not available to other Eligible Employees whose Bid Amount in any of the bidding options exceeds Rs. 100,000.
- The maximum Bid under Employee Reservation Portion by an Employee cannot exceed 65,000 Equity Shares.
- Bids by Eligible Employees can also be made in the "Net Issue" portion and such Bids shall not be treated as multiple Bids.
- If the aggregate demand in this category is less than or equal to 65,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand. Any unsubscribed portion in any reserved category shall be added

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

- If the aggregate demand in this category is greater than 65,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, please see “*Issue Procedure - Basis of Allotment*” at page 276.

A discount of Rs. 15 per Equity Share to the Issue Price shall be offered to Eligible Employees, where the Bid Amount does not exceed Rs. 100,000 (the “Eligible Employee Discount”). Eligible Employees bidding at a price within the Price Band have to make payment based on their highest bid price option. Eligible Employees bidding at Cut-Off Price have to ensure payment at the upper end of the Price Band. Eligible Employees should note that discount is not offered on application but on Allotment. The excess amount paid on application would be refunded to such Bidders after Allotment along with any other refund, if any.

Bidders are advised to make independent enquiries and ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for Bidders:

- (a) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid Opening Date.
- (b) Our Company and the Book Running Lead Managers shall declare the Bid Opening Date and Bid Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in an English and a Hindi national newspaper, and one regional newspaper, each with wide circulation. This advertisement shall be in the format prescribed under applicable SEBI Regulations. Further, the Price Band and the minimum bid lot as decided by our Company in consultation with the Book Running Lead Managers, including the relevant financial ratios computed for both the Cap Price and the Floor Price and shall be published at least two Working Days prior to the Bid/Issue Opening Date in English and Hindi national newspapers, each with wide circulation.
- (c) Copies of the Bid cum Application Form and, at the request of potential Bidders, copies of this Red Herring Prospectus will be available with the members of the Syndicate.
- (d) Any investor (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office or from the members of the Syndicate.

Eligible investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Managers, Syndicate Member or their authorised agent(s) to register their Bids. ASBA bidders should approach the SCSBs to register their Bids.

- (e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms without the stamp of the member of the Syndicate will be rejected.

Information specific to ASBA Bidders

1. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches. ASBA Bidders can also obtain a copy of this Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.

2. The Bids should be submitted to the SCSBs on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.
3. The SCSBs shall accept Bids only during the Bidding Period and only from the ASBA Bidders.
4. The Book Running Lead Managers shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the SCSBs. The SCSBs will then make available such copies to investors intending to apply in this Issue through the ASBA process. Additionally, the Book Running Lead Managers shall ensure that the SCSBs are provided with soft copies of the abridged prospectus as well as the ASBA Forms and that the same are made available on the websites of the SCSBs.
5. The ASBA Form shall bear the stamp of the SCSBs and/or the Designated Branch, if not, the same shall be rejected.

Method and Process of Bidding

- (a) Our Company in consultation with the Book Running Lead Managers will decide the Price Band and the minimum Bid lot for the Issue and the same shall be advertised in one English, one Hindi national newspapers, and one regional newspaper, each with wide circulation at least two Working Days prior to the Bid Opening Date. The members of Syndicate and the SCSBs shall accept Bids from the Bidders during the Bidding Period.
- (b) The Bidding Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bidding Period maybe extended, if required, by an additional three Working Days, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be published in English and Hindi national newspapers, and one regional newspaper, each with wide circulation and also by indicating the change on the website of the Book Running Lead Managers.
- (c) During the Bidding Period, Bidders who are interested in subscribing for the Equity Shares should approach the members of Syndicate or their authorised agents to register their Bid. The members of Syndicate shall accept Bids from all other Bidders and have the right to vet the Bids during the Bidding Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process shall approach the Designated Branches to register their Bids.

The Book Running Lead Managers shall accept Bids from the Anchor Investors on the Anchor Investor Bidding Date i.e. one Working Day prior to the Bid Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

- (d) Each Bid cum Application Form and/ or the ASBA Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled “Bids at Different Price Levels” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form and/ or the ASBA Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- (e) The Bidder cannot bid on another Bid cum Application Form or ASBA Form after Bids on one Bid cum Application Form or ASBA Form have been submitted to the members of Syndicate or SCSBs, as the case may be. Submission of a second Bid cum Application Form or ASBA Form to the members of Syndicate or SCBS will be treated as multiple Bids and is liable to be rejected

either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation of Equity Shares or Allotment. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled “Build up of the Book and Revision of Bids”. Provided that Bids submitted by a QIB in the Anchor Investor Portion and in the Net QIB Portion will not be considered as Multiple Bids. Bids by Eligible Employees in the Eligible Employee Reservation and in the “Net Issue” portion shall not be treated as multiple Bids.

- (f) Except in relation to Bids received from the Anchor Investors, the members of Syndicate / the SCSBs, as the case may be, will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form or ASBA Form.
- (g) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” on page 267.
- (h) Upon receipt of the ASBA Form, submitted whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges.
- (i) If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- (j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- (k) The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

- (a) Our Company, in consultation with the Book Running Lead Managers and without prior intimation to or approval from the Bidders, reserves the right to revise the Price Band during the Bidding Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price disclosed at least two days prior to the Bid Opening Date and the Cap Price will be revised accordingly.
- (b) Our Company, in consultation with the Book Running Lead Managers, can finalise the Anchor Investor Issue Price, in the event Anchor Investors participate in this Issue, within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Anchor Investors.
- (c) The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired

number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Employees may bid at the Cut-off Price. However, bidding at Cut-off Price is not permitted for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

- (d) Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion who Bid at Cut-off Price should note that they are required to purchase the Equity Shares at the Issue Price. Retail Individual Bidders and Eligible Employees in Employee Reservation Portion shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price. ASBA Bidders, under the categories eligible to Bid at Cut-off Price, need to instruct the SCSBs to block an amount based on the Cap Price.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see “*Issue Procedure - Payment Instructions*” on page 267.

Electronic Registration of Bids

- (a) The members of Syndicate and SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted. The Book Running Lead Managers, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the SCSBs, (iii) the Bids accepted but not uploaded by the SCSBs or (iv) with respect to ASBA Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account. The Book Running Lead Managers and the SCSBs shall be responsible for any error in the Bid details uploaded by them.
- (b) The members of Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid Closing Date.
- (c) In case of apparent data entry error by either the members of Syndicate or the collecting bank in entering the Bid cum Application Form number in their respective schedules other things remaining unchanged, the Bid cum Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the Bid cum Application Form number by either the members of Syndicate or collecting bank leading to rejection of the Bid cum Application Form, the Registrar may identify based on the Bid cum Application Form, the entity responsible for the error.
- (d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the members of Syndicate and its authorised agents and the SCSBs during the Bidding Period. The members of Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building Process on a regular basis. On the Bid Closing Date, the members of Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the members of Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Bidding Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.
- (e) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.
- (f) At the time of registering each Bid, other than ASBA Bids, the members of the Syndicate shall

enter the following details of the Bidders in the on-line system:

- Name of the Bidder: Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
- PAN
- Numbers of Equity Shares Bid for.
- Bid Amount that has been paid upon submission of bid cum application form.
- Bid cum Application Form number.
- Cheque number.
- DP ID and client identification number of the beneficiary account of the Bidder.

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches shall enter the following information pertaining to the Bidder into the on-line system:

- Name of the Bidder(s).
- ASBA Form Number.
- PAN (of First Bidder, in case of more than one Bidder);
- Investor category and sub category;
- DP ID and client identification number;
- Beneficiary account number of Equity Shares Bid for;
- Quantity;
- Bid Amount; and
- Bank account number.

- (g) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of Syndicate or the Designated Branches. The registration of the Bid by the members of Syndicate or the Designated Branches does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or our Company.
- (h) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (i) In case of QIBs, the Book Running Lead Managers have the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 271. The Book Running Lead Managers may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.
- (j) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoter, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate will be given up to one Working Day after the Bid Closing Date to verify the information uploaded in the online IPO system during the Bidding Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. If the Registrar finds any discrepancy in the DP name, DP Id and the Client Id, the Registrar will correct the same. In case of any discrepancy of data between the Stock Exchanges and the members of the Syndicate or the Designated Branches, the decision of our Company, in consultation with the Book Running Lead Managers and the Registrar, based on the physical records of Bid cum Application Forms shall be final and binding on all concerned.

- (k) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of the Stock Exchanges. However, Anchor Investors who use the ASBA facility will have to submit the ASBA Form to the Book Running Lead Managers along with a confirmation from the SCSBs that the Bid Amount has been blocked in their respective bank accounts in terms of the ASBA process. In the event such Bid Amount has not been blocked, the Anchor Investor's Bid shall be rejected.

Build up of the book and revision of Bids

- (a) Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the Book Running Lead Managers on a regular basis at the end of the Bidding Period.
- (c) During the Bidding Period, any Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form, ASBA Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form/ ASBA Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Forms.
- (e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the members of Syndicate or the same SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and the Eligible Employees in the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

- (g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and the Eligible Employees in the Employee Reservation Portion who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.
- (h) Our Company, in consultation with the Book Running Lead Managers, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.
- (i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the members of Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the members of Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment..
- (j) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the members of the Syndicate or the SCSB, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

- (a) Based on the demand generated at various price levels and the book built, our Company in consultation with the Book Running Lead Managers shall finalise the Issue Price.
- (b) Under-subscription in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company in consultation with the members of the Syndicate and the Designated Stock Exchange. If at least 60% of the Net Issue is not Allotted to QIBs, the entire subscription monies shall be refunded.
- (c) Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- (d) QIBs shall not be allowed to withdraw their Bid after the Bid Closing Date.
- (e) The Basis of Allotment shall be put on the website of the Registrar to the Issue.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company and the members of the Syndicate shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI

Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, among others shall indicate the Issue Price and the Anchor Investor Issue Price, if any, in the event Anchor Investors participate in this Issue. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to members of the Syndicate a list of their Bidders who have been or are to be Allotted Equity Shares, pursuant to the approval of Basis of Allotment. The investor should note that our Company shall issue instructions for demat credit of Equity Shares to all successful investors in this Issue on the date of Allotment. For Anchor Investors, see “Notice to Anchor Investors: Allotment Reconciliation and Intimation”
- (b) The BRLMs, the members of the Syndicate or the Registrar to the Issue, as the case may be, will send a CAN to Bidders who have been or are to be Allotted Equity Shares, pursuant to the approval of the Basis of Allotment.
- (c) The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allotted to such Bidder.

Notice to Anchor Investors: Allotment Reconciliation and Intimation

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of Bid cum Application Forms received in the Anchor Investor Portion. Based on the physical book and at the discretion of the Company and the BRLMs, selected Anchor Investors shall be sent an AI CAN, within two Working Days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that are allocated to them. The AI CAN shall constitute the valid, binding and irrevocable contract for the Anchor Investor to pay the entire Anchor Investor Issue Price for all the Equity Shares allocated to such Anchor Investor. This AI CAN and the final allocation will be subject to (a) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue and (b) Allotment by the Board of Directors. In the event the Issue Price is fixed higher than the Anchor Investor Allocation Price, a written intimation shall be sent to Anchor Investors to pay such additional amounts being the excess of the Issue Price over the Anchor Investor Allocation Price, for the shares allocated to the Anchor Investors on or before such date as specified in the intimation which shall in no event be later than two days after the Bid/Issue Closing Date.

Designated Date and Allotment

- (a) Our Company will ensure that the Allotment will be completed within twelve Working Days and credit to the successful Bidder's depository account will be completed within 12 Working Days of the Bid Closing Date.
- (b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

- (a). Check if you are eligible to apply;
- (b). Ensure that you have Bid within the Price Band;
- (c). Read all the instructions carefully and complete the Bid cum Application Form;
- (d). Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment will be in the dematerialised form only;
- (e). Ensure that the Bid cum Application Forms submitted at the Bidding Centres bear the stamp of the members of the Syndicate;
- (f). Ensure that you have been given a TRS for all your Bid options;
- (g). Submit revised Bids to the members of the Syndicate and obtain a revised TRS;
- (h). Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court, all Bidders should mention their PAN allotted under the IT Act;
- (i). Ensure that the Demographic Details are updated, true and correct in all respects;
- (j). Ensure that the names given in the Bid cum Application Form is exactly the same as the names available in the depository database. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

- (a). Do not Bid for lower than the minimum Bid size;
- (b). Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- (c). Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate or its affiliates;
- (d). Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
- (e). Do not send Bid cum Application Forms by post; instead submit the same to the members of the Syndicate only;
- (f). Do not bid at Cut-off Price (for QIBs and Non-Institutional Bidders, for Bid Amount in excess of Rs. 100,000);
- (g). Do not Bid for a Bid Amount exceeding Rs. 100,000 (for Bids by Retail Individual Bidders);
- (h). Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- (i). Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this

ground; and

- (j). Do not Bid for allotment of Equity Shares in physical form.
- (k). Do not submit Bids without the full Bid Amount.

INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do's:

1. Check if you are eligible to Bid under ASBA.
2. Ensure that you use the ASBA Form specified for the purposes of ASBA.
3. Read all the instructions carefully and complete the ASBA Form.
4. Ensure that your ASBA Form is submitted at a Designated Branch where the ASBA Account is maintained and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue or the members of the Syndicate.
5. Ensure that the details about the PAN, the Settlement Depository Participant and the beneficiary account number are correct as Allotment of equity shares will be in dematerialized form only.
6. Ensure that the ASBA Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder.
7. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.
8. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.
9. Ensure that you have correctly checked the authorisation box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.
10. Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Form.
11. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Form.

Don'ts:

1. Do not Bid on another ASBA Form or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch.
2. Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA.
3. Do not send your physical ASBA Form by post. Instead submit the same to a Designated Branch.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM AND ASBA FORMS

1. Bid cum Application Forms, ASBA Forms or Revision Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus. Incomplete Bid cum Application Forms, ASBA Forms or Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms, ASBA Forms or Revision Forms.
2. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
3. Bidders should correctly mention their name, DP ID and Client ID in the Bid cum Application Form, or the ASBA Form, as the case may be. For the purpose of evaluating the validity of Bids, the Demographic Details of Bidders shall be derived from the name, DP ID and Client ID mentioned in the Bid cum Application Form, or the ASBA Form, as the case may be.
4. Information provided by the Bidders will be uploaded in the online IPO system by the Book Running Lead Managers and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.
5. Bids through ASBA must be:
 - a. made only in the prescribed ASBA Form or Revision Forms (if submitted in physical mode) or the electronic mode.
 - b. made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant).
 - c. completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.
6. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the ASBA Form.
7. For ASBA Bidders, the Bids in physical mode should be submitted to the SCSBs on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, Depository Participant's name, Depository Participant-Identification number and beneficiary account number provided by them in the Bid cum Application Form or ASBA Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Bidders. These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the members of the Syndicate or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account

details in the Bid cum Application Form or the ASBA Form, as the case may be.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM OR ASBA FORM. INVESTORS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE BID CUM APPLICATION FORM OR ASBA FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE THE BID CUM APPLICATION FORM OR ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM OR ASBA FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form or ASBA Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form or ASBA Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CANs/Refund orders/allocation advice would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of CAN/refund orders/allocation advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidders sole risk and neither our Company, Escrow Collection Banks, Registrar to the Issue nor the Book Running Lead Managers shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole/First Bidder, the DP ID and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Non Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form, ASBA Form or the Revision Form, as applicable ([●] in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).
3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form or the ASBA Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

By limited companies, corporate bodies, registered societies

A certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.

By FIIs, FVCIs, VCFs and Mutual Funds

A certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted along with the Bid cum Application Form or ASBA Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason.

Our Company at its absolute discretion reserves the right to relax the above conditions of simultaneous lodging of the powers of attorney, subject to the terms and conditions that our Company in consultation with the Book Running Lead Managers deem fit.

ASBA Bidders

In case of an ASBA Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company, in consultation with the Book Running Lead Managers, reserves the right to reject such Bids.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Bid cum Application Form or the ASBA Form, as the case may be, subject to such terms and conditions that our Company and the Book Running Lead Managers may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Book Running Lead Managers shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of this Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Bidders, shall maintain the monies in the Escrow Account. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account and the SCSBs will also transfer the funds represented by allocation of Equity Shares from the respective ASBA Accounts to the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Book Running Lead Managers, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the ASBA Account number in the ASBA Form and the relevant SCSB shall block an amount equivalent to the application money in the ASBA Account specified in the ASBA Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Form or for unsuccessful ASBA Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within 12 Working Days of the Bid Closing Date. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Bidders should note that the escrow mechanism is neither provided under any law or regulation nor has been prescribed by SEBI. The escrow mechanism has been established as an arrangement amongst our Company, the Book Running Lead Managers, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.
2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid will be rejected.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - In case of resident QIBs: “Escrow Account – Career Point Public Issue – QIB – R”;
 - In case of Non-Resident QIBs: “Escrow Account – Career Point Public Issue – QIB – NR”;
 - In case of resident Retail and Non-Institutional Bidders: “Escrow Account – Career Point Public Issue – R”;

- In case of Non-Resident Retail and Non-Institutional Bidders: “Escrow Account– Career Point Public Issue – NR”; and
 - In the case of Eligible Employees: “Escrow Account – Career Point Public Issue – E”.
4. In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price within two Working Days of the Bid Closing Date. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.
 5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:
 - (a) In case of Resident Anchor Investors: “Escrow Account – Career Point Public Issue – Anchor Investor – R”
 - (b) In case of Non-Resident Anchor Investors: “Escrow Account – Career Point Public Issue – Anchor Investor – NR”
 6. In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
 7. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or 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 or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.
 8. In case of Bids by FIIs, the payment should be made out of funds held in a ‘Special Rupee Account’ along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the ‘Special Rupee Account’.
 9. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.
 10. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
 11. On the Designated Date and no later than 12 Working Days from the Bid Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for

allocation/Allotment to such Bidders.

12. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stockinvest/money orders/postal orders will not be accepted.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

Submission of Bid cum Application Form and ASBA Forms

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Form or the Revision Form shall be submitted to the Designated Branches.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the Net QIB Portion will not be considered as multiple Bids.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All Bids will be checked for common PAN and will be accumulated and taken to a separate process file which would serve as a multiple master.
2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

Permanent Account Number or PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form or ASBA Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

Withdrawal of ASBA Bids

ASBA Bidders can withdraw their Bids during the Bidding Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case an ASBA Bidder (other than a QIB bidding through an ASBA Form) wishes to withdraw the Bid after the Bid Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after finalization of the 'Basis of Allocation'.

REJECTION OF BIDS

In case of QIBs, our Company in consultation with the Book Running Lead Managers may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's ASBA Account. Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the Bid Amount;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form or ASBA Form;

- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Bids or revision thereof by QIBs and Non-Institutional Bidders, uploaded after 4.00 p.m. on the Bid Closing Date;
- Submission of more than five ASBA Forms per ASBA Account;
- Bids at Cut-off Price by Non-Institutional, QIBs and Eligible Employees for a value of more than Rs. 100,000;
- Bids for a value of more than Rs. 100,000 by Bidders falling under the category of Retail Individual Bidders and Eligible Employees under Employee Reservation Portion;
- Bids by persons in the Employee Reservation Portion not qualifying as Eligible Employees;
- Bids for number of Equity Shares which are not in multiples of [•];
- Category not ticked;
- Multiple Bids as defined in this Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- ASBA Forms not being signed by the account holders, if the account holder is different from the Bidder;
- Bid cum Application Forms and ASBA Forms does not have the stamp of the members of the Syndicate or the SCSB and/or the Designated Branch, as the case may be;
- Bid cum Application Forms and ASBA Forms do not have Bidder's depository account details;
- Bid cum Application Forms and ASBA Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms and ASBA Forms, Bid Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Forms and ASBA Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary's account number;
- With respect to ASBA Bids, inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account;

- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect whereof the Bid cum Application Form or ASBA Forms do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Authorisation for blocking funds in the ASBA Account not ticked or provided;
- Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account.
- Bids at Cut-off Price by Non-Institutional Bidders, QIBs bidding in excess of Rs. 100,000;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM OR ASBA FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES OR THE MEMBERS OF THE SYNDICATE /THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE BID IS LIABLE TO BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated April 19, 2010 with NSDL, our Company and the Registrar to the Issue.
- Agreement dated May 22, 2008 with CDSL, our Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- (a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- (b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form, ASBA Form or Revision Form.
- (c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

- (d) Names mentioned in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- (e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form, ASBA Form or Revision Form, it is liable to be rejected.
- (f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form or ASBA Form vis-à-vis those with his or her Depository Participant.
- (g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- (h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid cum Application Form or ASBA Form number, Bidders' Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form or ASBA Form, name and address of the members of the Syndicate or the Designated Branch where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the PAN of the Bidders, Depository Participant's name, DP ID, beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the members of the Syndicate shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the centres where such facility has been made available, except where the applicant, being eligible, opts to receive refund through direct credit,

NEFT or RTGS.”

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.
3. RTGS – Applicants having a bank account at any of the abovementioned centres and whose refund amount exceeds Rs. 5 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant’s bank receiving the credit would be borne by the applicant.
4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants’ bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days from the Bid Closing Date.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 12 Working Days of Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment shall be made only in dematerialised form within nine Working Days of the Bid Closing Date; and
- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions would be given to the clearing system within 12 Working Days of the Bid Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within 12 Working Days from the Bid Closing Date.

Our Company shall pay interest at 15% per annum for any delay beyond the 12 Working Days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the time prescribed above.

IMPERSONATION

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

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,*

shall be punishable with imprisonment for a term which may extend to five years.”

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional and QIBs shall be available for Allotment to Retail Individual Bidders who have Bid at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●]

Equity Shares. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs in the Net QIB Portion

- Bids received from the QIBs bidding in the Net QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIBs will be made at the Issue Price.
- The Net QIB Portion shall be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for up to 5% of the Net QIB Portion shall be determined as follows:
 - (i) In the event that Bids by Mutual Fund exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the Net QIB Portion.
 - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIBs as set out in (b) below;
 - (b) In the second instance Allotment to all QIBs shall be determined as follows:
 - (i) In the event of oversubscription in the Net QIB Portion, all QIBs who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion.
 - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs.

- (iii) Under-subscription below 5% of the Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

- The aggregate Allotment to QIBs bidding in the Net QIB Portion shall not be less than [●] Equity Shares.

D. For Anchor Investors

- Allocation of Equity Shares to Anchor Investors, if any, at the Anchor Investor Issue Price will be at the discretion of our Company, in consultation with the Book Running Lead Managers, subject to compliance with the following requirements:
 - (a). not more than 30% of the QIB Portion will be allocated to Anchor Investors;
 - (b). one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;
 - (c). allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation upto Rs. 250 million and minimum number of five Anchor Investors for allocation more than Rs. 250 million.
- The number of Equity Shares Allotted to Anchor Investors, if any and the Anchor Investor Issue Price, shall be made available in the public domain by the Book Running Lead Managers before the Bid Opening Date by intimating the same to the Stock Exchanges.

E. For Employee Reservation Portion

- Bids received from the Eligible Employees category at or above the Issue Price shall be grouped together to determine the total demand under this category. Allocation to all the successful Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 65,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 65,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a maximum of 65,000 Equity Shares. For the method of proportionate allocation, refer below.
- Only Eligible Employees may apply for Equity Shares under the Employee Reservation Portion.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the Book Running Lead Managers and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Regulations.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders will be categorised according to the number of Equity Shares applied for.
- b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on

- a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
 - Each successful Bidder shall be allotted a minimum of [●] Equity Shares.
- e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.
- g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the Book Running Lead Managers.

Illustration of Allotment to QIBs and Mutual Funds (“MF”)

A. Issue Details

Particulars	Issue details
Issue size	200 million Equity Shares
Allocation to QIB (at least 60% of the Issue)	120 million Equity Shares
Of which:	
a. Reservation For Mutual Funds, (5%)	6 million Equity Shares
b. Balance for all QIBs including Mutual Funds	114 million Equity Shares
Number of QIB applicants	10
Number of Equity Shares applied for	500 million Equity Shares

B. Details of QIB Bids

S. No.	Type of QIBs	No. of shares bid for (in million)
1.	A1	50
2.	A2	20

S. No.	Type of QIBs	No. of shares bid for (in million)
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
11.	Total	500

* A1-A5: (QIBs other than Mutual Funds), MF1-MF5 (QIBs which are Mutual Funds) Details of Allotment to QIBs Applicants

C. Details of Allotment to QIBs / Applicants

Type of QIB	Shares bid for	Allocation of 5% Equity Shares	Allocation of 95% Equity Shares	Aggregate allocation to Mutual Funds
(I)	(II)	(III)	(IV)	(V)
	<i>(Number of equity shares in million)</i>			
A1	50	0	11.52	0
A2	20	0	4.60	0
A3	130	0	29.94	0
A4	50	0	11.52	0
A5	50	0	11.52	0
MF1	40	1.2	8.97	9.68
MF2	40	1.2	8.97	9.68
MF3	80	2.4	17.96	20.36
MF4	20	0.6	4.49	5.09
MF5	20	0.6	4.49	5.09
	500	6	114	49.99

Please note:

- The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled “*Issue Structure*” at page 243.
- Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e., 5%) will be Allotted on a proportionate basis among five Mutual Fund applicants who applied for 200 million Equity Shares in the QIB Portion.
- The balance 114 million Equity Shares i.e., 120 - 6 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIB Bidders who applied for 500 million Equity Shares (including 5 Mutual Fund applicants who applied for 200 million Equity Shares).
- The figures in the fourth column entitled “Allocation of balance 114 million Equity Shares to QIBs proportionately” in the above illustration are arrived at as explained below:
 - For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for $\times 114/494$
 - For Mutual Funds (MF1 to MF5) = (No. of shares bid for (i.e., in column II of the table above) less Equity Shares Allotted (i.e., column III of the table above) $\times 114/494$
 - The numerator and denominator for arriving at the allocation of 114 million Equity Shares to the 10 QIBs are reduced by 6 million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the

table above.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company shall give credit to the beneficiary account with depository participants within 12 Working Days from the Bid Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by “Under Certificate of Posting”, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder’s sole risk within 12 Working Days of the Bid Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to SCSB by the Registrar to the Issue

Our Company agrees that Allotment will be completed with 12 Working Days and credit to the successful Bidders’ depository accounts will be completed within 12 Working Days of the Bid Closing Date.

Our Company shall pay interest at 15% per annum for any delay beyond the 12 Working Days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within eight Working Days from the day the Bank becomes liable to repay (*i.e.*, 12 Working Days after the Bid/Issue Closing Date or the date of refusal by the Stock Exchange(s) for listing, whichever is earlier). If such money is not repaid within eight Working Days from the day the Company becomes liable to repay, the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight Working Days, be jointly and severally liable to repay the money with interest as prescribed under applicable law.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall

be sent to the applicant within 12 Working Days of the Bid Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time;
- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
- That adequate arrangements shall be made to collect all ASBA Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

Withdrawal of the Issue

Our Company, in consultation with the Book Running Lead Managers, reserves the right not to proceed with the Issue anytime after the Bid Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

If our Company withdraws the Issue after the closure of bidding, our Company shall be required to file a fresh draft red herring prospectus with SEBI.

Utilisation of Issue proceeds

The Board of Directors certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- Details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested; and
- Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

Subscription by foreign investors (NRIs/FIIs)

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

There is no reservation for Eligible NRIs and FIIs registered with SEBI. All Eligible NRIs and FIIs will be treated on the same basis with other categories for the purpose of allocation.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. Persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meaning that has been given to them in our Articles of Association.

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision hereinbelow is numbered as per the corresponding article number in our Articles of Association.

Applicability of Table ‘A’

Article 1 provides that “the regulations contained in Table ‘A’ in the First Schedule to the Companies Act, shall be applicable to this Company subject to the provisions contained hereinafter and the regulations for the management of the Company and for the observance by the Members thereof and their representatives are contained in these Articles, unless the same are repugnant or contrary to the provisions of the Companies Act.”

SHARE CAPITAL

Increase of Capital by the Company

Article 6 provides that “the Company may from time to time, in a general meeting, by an Ordinary Resolution increase its share capital by creation and issue of new shares, of such amount as it thinks expedient. Subject to the provisions of the Act, Articles any shares of the original or increased capital the further shares 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 Board shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at general meeting of the Company and with a right of voting at general meeting of the Company in conformity with Section 87 of the Act. Whenever the capital of the Company has been increased under the provisions of these Articles, the Directors shall comply with the provisions of Section 97 of the Act.”

Reduction of Capital

Article 14 provides that “the company may, (subject to the provisions of the Act), from time to time by Special Resolution reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article shall not derogate from any power the Company would have if it were omitted.”

Sale of Fractional Shares

Article 16 provides that “If and whenever as the result of issue of new shares or of any consolidation or sub-division of shares, any share becomes held by Members in fractions, the Board shall subject to the provisions of the Act and the Articles and to the directions of the Company in general meeting, if any, sell those shares which Members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the Members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board may authorize any person to transfer and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.”

Modification of rights

Article 17 provides that “whenever the capital, by reason of the issue of preference shares or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to each class may, (unless otherwise provided by the terms of issue of shares of that class) subject to the provisions of Sections 106 and 107 of the Act, and whether or not the Company is being wound up be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of at least three-fourths in nominal value of the issued shares of that class or is confirmed by a special resolution passed by the votes

of not less than three fourths of the votes of the holders of shares of that class at a separate general meeting of the holders of shares of that class and all the provisions contained in these Articles. as to general meetings shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined above is not present, those persons who are present shall be the quorum.. This Article is not to derogate from any power the Company would have if this Article were omitted.”

BORROWING POWERS

Terms of Issue of debentures

Article 98 provides that “any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing; allotment of shares and attending (but not voting) at general meetings appointments of Directors and otherwise. Debentures with right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution in accordance with Section 81(3) of the Act.”

Redeemable preference shares

Article 8 provides that “subject to the provisions of Section 80 of the Act, the Company shall have power to issue preference shares which are, or at the option of the Company are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.”

Provisions applicable for issue of Redeemable Preference shares

Article 10 provides that “on the issue of redeemable preference shares under the provisions of Article 8 hereof, the following provisions shall take effect:-

- (a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption
- (b) No such shares shall be redeemed unless they are fully paid.
- (c) The premium, if any, payable on the redemption shall be provided for out of the profits of the Company or out of the Company's security premium account before the shares are redeemed; and
- (d) Where any such, shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares to be redeemed, and the provisions of the Act, relating to the reduction of the share capital of the Company shall, except as provided under Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.”

SHARE AND CERTIFICATES

Register and Index of Members

Article 19 provides that “the Company shall cause to be kept a Register and Index of Members in accordance with all the applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares and debentures held in material and dematerialized forms in any media as permitted by law including in any form of electronics medium and the Companies (Issue of Share Certificates) Rules, 1960 and any modification thereof. The Company shall be entitled to keep in any state or country outside India a Branch Register of Member resident in the State or country.”

Shares to be numbered and no share to be sub-divided

Article 20 provides that “the shares in the capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned, no share shall be subdivided. Every surrendered or forfeited share shall bear the number by which the same was originally distinguished. the

provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form.”

Acceptance of shares

Article 24 provides that “any application signed by or on behalf of an applicant for shares in the Company followed by allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles. It further provides that, every person who thus or otherwise accepts any shares and whose name is on the Register of Members or in the records of the Depository shall for the purposes of these Articles be a Member. No share shall be applied for by or allotted to a minor, insolvent or person of unsound mind.”

Dematerialisation of shares

Article 94 provides that “notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures or other securities / rematerialize its shares, debentures or other securities held in the depository and /or offer its, shares, debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1966.”

Liability of Members

Article 26 provides that “every Member, shall pay to the Company the proportion 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 of Directors shall from time to time, in accordance with Company's Regulations require or fix for the payment thereof.”

Company not to be bound to recognize any interest in share other than registered holder

Article 33(2) provides that “save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members or in the records of the Depository as the holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required). be bound to recognize any benami, trust 'or other claim or claims or right to or interest in such shares on the part of any other person whether or not it shall have express or implied notice thereof.”

FORFEITURE SURRENDER AND LIEN

Subject to the provisions of the Act and these Articles the share in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot or otherwise dispose of the same or any of them to such persons, in such proportions and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with provisions of Section 78 and Section 79' of the Act) and at such times as it may from time to time think fit and proper and, with the consent of the general meeting, give to any person the option or right to call for or be allotted any class of shares of the Company either at par or at premium or, subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit provided however, notwithstanding the foregoing, the option or right to call on Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

Application of forfeiture on nominal value or premium

Article 63 provides that “the Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any Member desirous of surrendering the same on such terms as the Board may think fit.”

If money payable on shares not paid notice to be given to Members

Article 51 provides that “if any Member fails to pay any call or installment of a call in respect of any share on or before the day appointed for the payment of the same, or any such extension thereof, the Board may, at any time thereafter, during such time as the call or installment remains unpaid serve a notice on such Member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.”

CONVERSION OF SHARES INTO STOCK

Shares may be converted into stock

Article 92 provides that “the Board may by an ordinary resolution in general meeting, convert any paid up share into stock and reconvert that stock into paid up shares of any denomination. Where any shares have been so converted, the several holders of such stock may thenceforth, transfer their respective interests therein, or any part of such interest, in the same manner and subject to the same regulation as, and subject to which shares from which the stock arose might have been transferred, or as near thereto as circumstances will admit.”

Rights of stockholders

Article 93 provides that “the holders of stock shall, according to the amount of stock held by them respectively, have the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes, as if they held the shares from which the stock, but so that none of such privileges or advantages, except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. No such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.”

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Form of transfer

Article 72 provides that “the Company shall have a common form of transfer. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and any statutory modifications thereof for the time being shall be duly complied with, in respect of all transfer of shares and of the registration thereof.”

Transfer form to be completed and presented to the Company

Article 71 provides that “every instrument of transfer shall be duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee, specifying the name, address and occupation of the transferee and transferred to the Company. The instrument of transfer shall be accompanied by such evidence as the board may require, to prove the title of the transferor and his right to transfer. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the board. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.”

Transfer of Securities

Article 94(6) (c) provides that “in the case of transfer or transmission of shares, or other marketable securities where the Company has not issued any certificates and where such share or securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.”

Application for transfer

Article 76 provides that “an application for the registration of a transfer of shares may be made either by the transferor or by the transferee.

- (1) Where the application is made by the transferor and relates to partly paid up shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (2) For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and will be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.”

Company not liable for disregard of a notice prohibiting registration of transfer

Article 89 provides that “the Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by apparent legal owner thereof as shown or appearing in the Register of Members or in the records of the Depository to the prejudice of persons having or claiming any equitable right, title to or interest in the same

shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice. or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.”

Directors may refuse to register transfer

Article 74 provides that “subject to the provisions of Section 111A of the Act and Section 22A of the Securities Contract (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares / debentures in whatever lot shall not be refused.”

Company not liable for disregard of a notice prohibiting registration of transfer

Article 89 provides that “no fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document with the Company.”

Nature of rights attached to shares

Article 18 provides that “the Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to rights attached to the holders of other shares (not being preference shares).”

Company to have lien on shares

Article 64 provides that “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 held solely or jointly with others) and upon the proceeds of sale thereof for all moneys 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 condition that this Article shall have full effect. Any such lien shall extend to all dividends and bonuses and their accretions from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the, Company's lien if any, on such shares. The Board may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article.”

Enforcing lien by sale

Article 65 provides that “for the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize a member of the board to execute the transfer thereof on behalf of and in the name of such member. No sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such Member, his heirs, executors, administrators or other legal representatives, as the case may be, and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after the date of such notice.”

Application of proceeds of sale

Article 66 provides that “the net proceeds of any such sale shall be received, by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall be paid to such Member, his heirs, executors, administrators or other legal representatives as the case may be.”

BORROWING POWERS

Power to borrow

Article 96 provides that “subject to the provisions of Sections 58A, 292 and 293 of the Act, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from Members either in advance of calls or otherwise borrow and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such moneys without the consent of the Company in General Meeting.”

The payment or repayment of moneys to be borrowed

Article 97 provides that “subject to the provisions of the previous Article the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by circular resolution) including by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and debenture, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.”

MEETING OF MEMBERS

Annual General Meeting

Article 107 provides that “subject to the provisions of Sections 166 and 210 of the Act, the Company shall in each year hold an Annual General Meeting and a General Meeting in addition to any other meetings in that year.

An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year provided that not more than fifteen months shall elapse between the date of Annual General Meeting of the Company and that of the next.

Every annual general meeting shall be, called for at a time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated and the notices calling the meetings shall specify it as the Annual General Meeting.

Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.”

Extraordinary General Meeting by Board and by requisitionists

Article 109 provides that “all General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

The Board may, whenever it thinks fit, call an extraordinary general meeting of the Company and it shall also call such a meeting on the requisition of the holders in writing by any member or members holding in the aggregate not less than one tenth of the paid up issued capital of the Company as at that date carries the right of voting in regard to that matter upon which all calls or other sums then due have been paid, forthwith proceed to convene an extraordinary general meeting of the Company, and in case of such requisition the provisions of Section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided.”

Quorum at General Meeting

Article 118 provides that “five Members entitled to vote and present in person shall be quorum for a general meeting.”

Chairman of General meeting

Article 124 provides that “the Chairman of the Board, and, in his absence, the Vice-Chairman of the Board, shall preside as Chairman at every general meeting, annual or extra-ordinary. If there be no Chairman or Vice Chairman of the Board or if neither of them is present within fifteen minutes after the time appointed for holding such meeting, the Directors present may choose one of their Member to be Chairman and in default of doing so the Members present shall choose one of the Directors to, be Chairman and if no Director present be willing to take the chair shall, on a show of hands, elect one of them to be Chairman of the meeting.”

Voting in person or by proxy

Article 140 provides that “subject to the provisions of these Articles, vote may be given either personally or by an attorney or by proxy. A body corporate being a Member may vote either by proxy or by a representative duly authorized in accordance with Section -187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise it if it were an individual Member.”

Appointment of Proxy

Article 142 provides that “every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointee or his attorney, or if such appointer is a corporation, under the common seal of such corporation, or be signed by an officer or any attorney duly authorized by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.”

Minutes of General Meeting and Inspection thereof by Members

Article 151 provides that:

- (a) The Company shall cause the minutes of all proceedings of every general meeting to be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in books kept for that purpose with their pages consecutively numbered.
- (b) Every page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or, in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.
- (c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (e) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.
- (f) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting is or could reasonably be regarded as defamatory of any person or it is irrelevant or immaterial to the proceedings or it is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (g) Any such minutes shall be evidence of the proceedings recorded therein.
- (h) The book containing the minutes of the proceedings of General Meetings shall be kept at the Registered Office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any Member without charge.

DIRECTORS

Number of Directors

Article 152 provides that “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 shall not be less than three and more than twelve.”

RETIREMENT AND ROTATION OF DIRECTORS

Retirement of Director's

Article 169 provides that:

- (1) At every annual general meeting of the Company, one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office. The Debenture Director or any Director appointed under Article 155 and the Managing Director for the time being, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire.
- (2) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in the office since their last appointment but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
- (3) At the annual general meeting at which a Director retires as aforesaid the Company may fill up the vacancy, by appointing the retiring Director who shall be eligible for re-appointment or some other person thereto.
- (4) If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy the meeting shall stand adjourned till the same day in the next week at the same time and place or if that is a public holiday, till the next succeeding day which is not a public holiday at the same time and place. If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:
 - i. At the meeting or at the previous meeting, a resolution for the reappointment of such Director has been put to vote and lost,
 - ii. The retiring Director has by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re appointed,
 - iii. He is not qualified or is disqualified for appointment,
 - iv. A resolution, whether special or ordinary, is required for his appointment by virtue of any of the provisions of the Act, or
 - v. The proviso to sub-section (2) of Section 263 of the Act is applicable to his case.

Qualification of Directors

Article 157 provides that “a Director need not hold any qualification shares.”

POWERS OF THE BOARD

Powers of Board

Article 183 provides that:

- (1) Subject to the provisions of the Act and these Articles the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and do.

Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other Act or by the Memorandum of Association of the

Company or by these Articles or otherwise, to be exercised or done by the Company in general meeting.

Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in this behalf in the Act or in any other Act or in the Memorandum of Association or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in general meeting.

- (2) No regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

DIVIDENDS

Division of Profits

Article 205 provides that “the profits of the Company which it shall from time to time determine, subject to any special rights relating thereto created or authorized to be created by these Articles and subject to the provisions of the Act, in respect of any year or other period, shall be applied first in paying the fixed preferential dividend on the capital paid up on the preference shares if any and secondly in paying a dividend declared for such year or other period on the capital paid up on the equity shares.”

How to treat capital paid in advance

Article 206 provides that “no amount paid or credited as paid on the shares in advance of calls shall be treated as capital paid up on the shares.

However, any amount paid-up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof, in a dividend subsequently declared.”

Dividends in proportion to amount paid in advance

Article 207 provides that “all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank, for dividend accordingly.”

The Company in general meeting may declare a dividend

Article 208 provides that “the Company in general meeting may subject to the provisions of the Act declare a dividend to be paid to the Members according to their respective rights and interests in the profits and may fix the time for payment.”

Limit of dividend

Article 209 provides that “no larger dividend shall be declared than is recommended by the, Board but the Company in general meeting may declare a smaller dividend.”

Dividend out of profits

Article 210 (1) (a) provides that “no dividend shall be payable except out of the profits of the Company arrived at as laid down in the Act and out of profits of the financial year arrived at after providing or depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that:

- i. If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
- ii. If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any

previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.

Retention of Dividends

Article 212 provides that “the Board may retain any dividends payable on shares on which the Company has lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.”

Distribution of specific assets as dividend

Article 214 provides that “any general meeting declaring a dividend or bonus may resolve that such dividend be paid wholly or in part by the distribution of specific assets, partly or fully paid up shares, or debentures or debenture-stock of the. Company or in anyone or more of such ways and the Board shall give effect to the same and the Board may settle any difficulty in doing so in such manner as it may deem expedient.”

No member to receive dividend whilst indebted to the Company and the Company's right of reimbursement thereof

Article 217 provides that “no Member shall be entitled to receive payment of any interest of or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons subject to Section 205A and the Board may deduct from the interest or dividend payable to any shareholder all sums of money so due, from him to the Company.”

When dividend to be paid

Article 219 provides that “the Company shall pay dividend or sent the warrant in respect thereof to the shareholder entitled to the payment of the dividend within thirty days from the date of the declaration the dividend unless:

- a) The dividend could not be paid by reason of the operation of any law or;
- b) A shareholder has given directions to the Company regarding the payment of dividend and these directions cannot be complied with, or;
- c) There is a dispute regarding the right to receive the dividend, or;
- d) The dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder, or;
- e) For any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.”

When dividend to be paid

Article 220 provides that “where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called unpaid dividend account of Career Point Infosystems Limited and transfer to the said account, the total, amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the company to a fund known as Investor Education and Protection Fund established under Section 205C of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board.”

Dividend and call together

Article 213 provides that “any general meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount. as the meeting fixes but so that the call on each Member shall not exceed the dividend payable to him and so that the call may be made payable at the same

time as the dividend and the dividend may if so arranged between the Company and the Member be set' off against the calls.”

CAPITALIZATION

Capitalisation

Article 221 states that:

- (a) Any general meeting may, upon the recommendation of the Board, resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of the profit and loss account or of the reserve fund or any capital redemption reserve fund or in the hands, of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Security Premium Account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in this clause on behalf of such shareholders in full or towards:
 - (1) paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such Members in the proportions aforesaid; or
 - (2) paying up any amounts for the time being remaining unpaid on any shares, debentures or debenture-stock held by such Members respectively; or .
 - (3) paying up partly in the, way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be acceptable by such shareholders in full satisfaction of their interest in the said capitalised sum.
- (b)
 - (1) any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account, and,
 - (2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may by resolution of the Company be applied only in paying up in full or in part of any new shares or any share then remaining unissued; to be issued to such Members of the Company as the general meeting may resolve upto an amount equal to the nominal amount of the shares so issued.
- (c) Any general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to the charge for income-tax be distributed amongst the Members on the footing that they receive the same as capital
- (d) For the purpose of giving effect to any such resolution the Board may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any Members on the footing of the value so fixed or that fraction of less value than Rs.10/- may be disregarded in order to adjust the rights of all the parties, and may vest any such cash, share, debenture, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board.
- (e) If and whenever any share becomes held by any Member in fraction the Board may subject to the provisions of the Act, and these Articles and to the directions of the Company in general meeting, if any, sell the shares which Members hold in fractions for the best price reasonably obtained and shall pay and distribute to and amongst the, Members entitled to such shares in due proportion the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board may authorize any person to transfer the shares sold to the purchaser thereof; Comprised in any such

transfer and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or by invalidity in the proceedings with reference to the sale.

- (f) Where required, a proper contract shall be delivered to the Registrar for registration in accordance with Section 15 of the Act and the Board may appoint any person to, sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

ACCOUNTS

Accounts to be audited

Article 228 provides that “once at least in every year the, accounts of the Company shall be examined by one or more auditors who shall report to the shareholders as to whether the balance sheet reflects a true and fair view of the state of affairs of the Company as at that date and the profit and loss account discloses a true and fair view of the profit and loss account incurred by the Company during the year under review.”

Appointment of Auditors

Article 229 provides that:

- (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Sections 224 to 233 of the Act.
- (2) The Company shall at each annual general meeting appoint an Auditor or Auditors to hold office from conclusion of that meeting until the conclusion of the next annual general meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed.

PROVIDED THAT before any appointment or re-appointment is done by the Company, a written certificate shall be obtained by the Company from the , Auditor or Auditors, to the effect that the appointment or re-appointment, if made, will be in accordance with the limits specified in Section 224(1B).

- (3) Subject to the provisions of Sections 224(1B) and 224A, at any annual general meeting, a Retiring Auditor by Whatsoever authority appointed Shall be re-appointed unless
- (a) he is not qualified for re-appointment;
- (b) he has given the Company notice in writing of his unwillingness to be re-appointed;
- (c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or
- (d) where notice has been given of an intended resolution to appoint some person or persons in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.
- (4) Where at an annual general meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.
- (5) The Company shall, within seven days of the Central Government's power under the sub-clause (4) becoming exercisable, give notice of that fact to the Government.
- (6) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in general meeting.
- (7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Members in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the

matter. The provisions of this sub-clause shall also apply to a resolution that a retiring Auditor shall not be re-appointed.

- A. All notice of and other communications relating to any general meeting of the Company which a member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company and the Auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any of the business which concerns him as Auditor.
- B. The Auditors Report shall be read before the Company in the Annual General Meeting and shall be open to inspection by any of the members of the Company.
- C. Every balance sheet and profit and loss account of the Company when audited and adopted by the Company at an annual general meeting shall be conclusive provided that such balance sheet and profit and loss account and Board's Report may be amended at any time with the consent of the Company accorded by a special resolution.

Directors to keep true accounts

Article 222 provides that “the Company shall keep and maintain at the office or at such other place in India as the Board thinks fit proper books of account in accordance with Section 209 of the Act with respect to:

- (a) All sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place;
- (b) All sales and purchases of goods by the Company; and
- (c) The assets and liabilities of the Company.”

As to inspection of accounts or books by Members

Article 224 provides that “the Board of Directors shall from time to time determine whether and to what extent and at what times and place and under what conditions or regulations the documents of the Company or any of them shall be open to the inspection of Member and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorized by the Board of Directors or by a resolution of the Company in general meeting.”

Statement of accounts to be furnished to general meetings

Article 225 provides that “the Board of Directors shall from time to time in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be placed before the Company in general meeting, such balance sheets, profits and loss accounts and reports as are required by the Act.”

Copies shall be sent to each Member

Article 226 provides that “a copy of every such profit and loss account and balance sheet so audited (including the auditor's report and every other document required by the Act to be annexed or attached to the balance sheet) shall at least twenty one days before the meeting at which the same are to be laid before the Members be sent to the Members of the Company, to holders-of debentures issued by the Company (not being debentures which ex-facie are payable to the bearer thereof) to the trustees for the holders of such debentures and to all persons entitled to receive notice of general meetings of the Company.”

WINDING UP

Distribution of assets

Article 239 provides that “if the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be so distributed, that, as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up at the commencement of the winding up, on the shares held by them respectively, and if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid at the commencement of the winding up the excess shall be distributed amongst the Members in proportion to the capital paid up or which ought to have been paid up at the

commencement of the winding up, on the shares held by them respectively. But this Article is without prejudice to the rights of the holders of shares issued upon special terms and conditions.”

Rights of Shareholders in case of Sales

Article 241 provides that “a Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the Liquidator be distributed amongst the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.”

INDEMNITY AND RESPONSIBILITY

Directors’ and others’ rights to indemnity

Article 237 provides that “subject to the provisions of Section 201 of the Act every Director, Manager and other Officer or any person (whether officer of the Company or not) employed by the Company, or as auditor, or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to payout of the funds of the Company all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Manager, officer or servant in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the Court.”

Director, Officer not responsible for acts of others

Article 238 provides that “subject to the provisions of the Act, no Director, Auditor or other Officer of the, Company be liable for the act, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss, or damage arising from bankruptcy; insolvency or tortuous act of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited, or for loss occasioned by any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.”

AMENDMENT OF ARTICLES POST COMPLETION OF THE IPO

Notwithstanding anything contained elsewhere in these Articles, post the listing of the Equity Shares of the Company in terms of the IPO, the rights of the Investor and the Shareholders as set out in Part II of the Articles – 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264 and 265 (to the extent set out therein), shall cease to be applicable.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Engagement Letter dated December 7, 2009 and January 8, 2010 to the Book Running Lead Managers from our Company appointing them as the Book Running Lead Managers.
2. Agreement between our Company and the Book Running Lead Managers dated February 20, 2010.
3. Agreement between our Company and Registrar to the Issue dated February 10, 2010.
4. Escrow Agreement dated [•] amongst our Company, the Book Running Lead Managers, the Bankers to the Issue and the Registrar to the Issue.
5. Syndicate Agreement dated [•] amongst our Company, the Book Running Lead Managers and the Syndicate Member.
6. Underwriting Agreement dated [•] amongst our Company, the Book Running Lead Managers and the Syndicate Member.
7. Agreement dated April 19, 2010 amongst NSDL, our Company and the Registrar to the Issue.
8. Agreement dated May 22, 2008 amongst CDSL, our Company and the Registrar to the Issue.

Material Documents

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certification of incorporation and certificate of commencement of business.
3. Board resolution in relation to the Issue dated January 1, 2010.
4. Shareholders' resolution in relation to the Issue dated January 5, 2010.
5. Memorandum of Understanding entered between our Company and Hughes Communications India Limited dated January 7, 2010.
6. Trademark license agreement entered between our Company and Mr. Pramod Maheshwari dated February 4, 2010.
7. Subscription cum Shareholders Agreement dated July 16, 2009 entered between our Company, Franklin Templeton Asset Management (India) Private Limited (in its capacity as portfolio manager of FTPES), Swastika Polyolefins Private Limited, Mr. Pramod Maheshwari, Mr. Om Prakash Maheshwari, Mr. Nawal Kishore Maheshwari, Mr. Gulab Chand Maheshwari, Ms.

Kailash Bai Maheshwari, Ms. Neelima Maheshwari, Ms. Shilpa Maheshwari and Ms. Rekha Maheshwari.

8. Report of the Auditor dated August 23, 2010 prepared as per Indian GAAP and mentioned in the Financial Statements appearing at F - 3.
9. Statement of Tax Benefits from Sharp & Tannan, Chartered Accountants dated August 26, 2010.
10. Report of the IPO grading agency, Credit Analysis & Research Limited dated August 25, 2010 and April 19, 2010, furnishing the rationale for its grading, disclosed in the Red Herring Prospectus.
11. Copies of annual reports of our Company for the years ended March 31, 2010, 2009, 2008, 2007, and 2006.
12. Consent of the Auditor for inclusion of their reports on restated financial statements in the form and context in which they appear in this Red Herring Prospectus.
13. Letter dated July 12, 2010 from Sharp & Tannan, Chartered Accountants, the statutory auditor of the Company and letter dated July 5, 2010 from P. Khandelwal & Co., Chartered Accountants.
14. Consent of the IPO grading agency, Credit Analysis & Research Limited dated May 18, 2010, for inclusion of their IPO grading report furnishing the rationale for its grading, in the form and context in which they will appear in the Red Herring Prospectus.
15. Consents of Bankers to our Company, Book Running Lead Managers, Syndicate Member, Registrar to the Issue, Bankers to the Issue, Legal Counsel to our Issue, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
16. In-principle listing approvals dated April 23, 2010 and April 22, 2010 received from the NSE and the BSE, respectively.
17. Due diligence certificate dated February 24, 2010 to SEBI from Book Running Lead Managers.
18. SEBI observation letter No CFD/DIL/Issues/SK/AT/6144/2010 dated May 24, 2010.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, certify that all relevant provisions of the Companies Act, and the guidelines issued by the GoI or the regulations issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or regulations issued thereunder, as the case may be, and that all approvals and permissions required to carry on the business of our Company have been obtained, are currently valid and have been complied with. We further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. Pramod Maheshwari
Chairman, Managing Director & CEO

Mr. Om Prakash Maheshwari
Wholetime Director & CFO

Mr. Nawal Kishore Maheshwari
Wholetime Director

Mr. Pritam Kumar Goswami
Independent Director

Mr. Ram Swaroop Chaudhary
Independent Director

Mr. Pawan Kumar Lalpuria
Independent Director

Mr. Arun Luharuka
Nominee Director

Mr. Dwarka Das Nihchal Das Nainani
Independent Director

SIGNED BY THE COMPANY SECRETARY

Date: September 3, 2010
Place: Kota

Mr. Pramod Maheshwari
Chief Executive Officer
Career Point Infosystems Limited
112, Shakti Nagar,
Kota- 324009

April 19, 2010

Confidential

Dear Sir,

IPO Grading

Please refer to request for grading of the Initial Public Offering (IPO) of equity shares of face value of Rs.10 each of Career Point Infosystems Limited (CPIL) aggregating Rs.115 crore.

2. CARE has assigned a '**CARE IPO Grade 3**' [**Grade Three**] to the proposed IPO issue of CPIL. **CARE IPO Grade 3** indicates **average fundamentals**. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.
3. Please note that wherever '**CARE IPO Grade 3**' [**Grade Three**] appears, it should invariably be followed by the definition '**CARE IPO Grade 3** [**Grade Three**] indicates average fundamentals'.
4. The explanatory notes regarding the grading symbols of CARE for IPO grading are given in **Annexure 1**. The rationale for this grading will be communicated to you separately.
5. Please arrange to get the grading revalidated, in case the proposed IPO issue is not made within three months from the date of this letter.
6. Please note that the IPO grading is a one time exercise undertaken before an IPO issue and it does not have any ongoing validity.

SD

7. Please note that as per the existing regulations, CARE is required to disclose all IPO gradings. As such, in the absence of any request for review of rating within a week of this letter, CARE will disclose this IPO grading to the public.
8. Please note that the disclaimer as given hereunder should be disclosed wherever the IPO grading assigned by CARE is mentioned, including offer document and issue prospectus.
9. If you need any clarification, you are welcome to approach us in this regard.

Thanking You,

Yours faithfully,


[Sonam Doda]
Analyst


[Gaurav Dixit]
Manager

Encl : As above

DISCLAIMER:

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

Annexure 1

CARE IPO grading Scale

CARE IPO grade	Evaluation
CARE IPO Grade 5	Strong fundamentals
CARE IPO Grade 4	Above average fundamentals
CARE IPO Grade 3	Average fundamentals
CARE IPO Grade 2	Below average fundamentals
CARE IPO Grade 1	Poor fundamentals

SD

Mr. Pramod Maheshwari
Chief Executive Officer
Career Point Infosystems Limited
112, Shakti Nagar,
Kota- 324009

May 17, 2010

Confidential

Dear Sir,

IPO Grading

Please refer to your representation letter dated May 11, 2010 for grading of your proposed IPO issue aggregating Rs.115 crore.

2. Our Rating Committee has carefully reconsidered the grading assigned to your IPO issue.

It has, however, not been found possible to revise the grading and the Committee has decided to re-affirm 'CARE IPO Grade 3' [Grade Three] to the proposed IPO issue of Career Point Infosystems Ltd (CPIL).

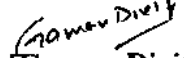
3. 'CARE IPO Grade 3' indicates average fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.

4. In this connection, we would assure you that the facts mentioned in your letter under reference were considered by the Committee while deciding the grading.

5. If you need any clarification, you are welcome to approach us in this regard.

Thanking You,


[Sonam Doda]
Analyst

Yours faithfully,

[Gaurav Dixit]
Manager

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Mr. Pramod Maheshwari
Chief Executive Officer
Career Point Infosystems Limited
112B, Shakti Nagar,
Kota- 324009

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www.careratings.com

Dear Sir,

May 18, 2010

IPO Grading


Please refer to our letter dated May 17, 2010 on the above subject.


2. The rationale for the grading is attached as an **Annexure - I**. Kindly note that the rationale would be published in the forthcoming issue of our quarterly journal, 'CAREVIEW'.
3. A write-up on the above grading is proposed to be issued to the press shortly. A draft of the press release is enclosed for your perusal as Annexure - II.
4. We request you to peruse the Rationale and Press Release and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by May 25, 2010 we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,


[Sonam Doda]
Analyst


[P.N Sathees Kumar]
Chief General Manager

Encl.: As above

Annexure-I

Grading Rationale

Career Point Infosystems Limited

Grading Assigned

Instrument	Amount (Rs. crore)	Grading ¹	Remarks
IPO	115	'IPO Grade 3'	Initial Grading
Total Facilities	115		

Grading Rationale

The grading derives strength from the experience of the promoters in the business, strong brand image, diversified course offerings, comfortable financial parameters, presence across 12 states, qualified and experienced faculty, increasing demand of coaching institutes for professional studies and diversification into the formal education system through Education Consultancy and Management Services (ECAMS) model.

The grading is however constrained by intense competition in the business, risk in terms of retention and hiring of experienced faculty, low entry barriers, plagiarism of course content which forms the core of the business, presence of bigger brands, lack of standardisation at the franchisee centres which leads to student dissatisfaction affecting the brand image of the company, risk of introduction of a regulatory framework.

Background

Career Point Infosystems Limited (CPIL) provides tutorial services to high school and post high school students for various competitive entrance examinations including All India Engineering Entrance Examination, Indian Institute of Technology – Joint Entrance Examination and All India Pre-Medical and Pre-Dental Test. The promoters of the company entered into the business of tutoring for competitive entrance examinations in 1993 and the business was being administered under the

¹ Complete definition of the grading assigned is available at www.careratings.com and in other CARE Publications

proprietorship firms of the promoters. CPIL was incorporated as a Public Limited Company on March 31, 2000. It provides tutorial services through classroom training programmes conducted through a network of company operated training centres and franchisee centres. CPIL also offers distance learning programmes comprising correspondence and test series courses. CPIL has developed a Synchro-School programme to synchronize preparation for competitive examination with formal school education. The company has recently forayed into Education Consultancy and Management Services ('ECAMS'), catering to K-12 and Higher Education segments. Through ECAMs the company has diversified into the formal education segment. This diversification was carried out to provide an additional source of revenue for the company in the coming years as the competition in the coaching industry is intense with a few organised and a large number of unorganised players in the market and new players entering the market regularly owing to the low entry barriers in this industry.

Management

Mr. Pramod Maheshwari, the Chairman, Managing Director and CEO of CPIL has been associated with the company since its inception. He has over 15 years of experience in the field of education. The two other promoters Mr. Om Prakash Maheshwari and Mr. Nawal Kishore Maheshwari also have over 15 years of experience in the field of education. Apart from the promoters, CPIL is supported by an experienced and qualified team of senior management.

Corporate Governance

CPIL has eight directors, of which the chairman of the board is an executive director. According to the requirements of clause 49 of the Listing Agreement, a company is required to have fifty percent independent directors on the board, if the chairman of the board is also an executive director of the company. Accordingly, CPIL has three executive directors and five non-executive directors, including four independent directors. The company has an audit committee, shareholders/investor grievance committee, remuneration committee and compensation committee in place. These committees were constituted on November 01, 2007. The company also has in place an IPO committee constituted by its Board of Directors on January 01, 2010 to approve, implement, negotiate, carry out and decide upon all activities relating to the IPO.

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Litigations

CPIL is involved in a total of 89 cases. Out of these, there are 48 civil cases mainly concerning consumer dissatisfaction with the services provided at the company's franchisee centres. There are 19 civil cases against the promoters which are mainly revenue cases involving payment of service tax and income tax. The company and its promoters have filed 22 criminal cases mainly against the owners of franchisees for non payment of royalty and study material charges. There are no criminal cases against the company or its promoters.

There are no litigations against the subsidiaries, associates and group companies of CPIL.

Operations

CPIL currently operates in two core business areas namely Tutorial services and ECAMS.

Tutorial Services

The various course offerings under the tutorial segment for competitive entrance examinations include IIT JEE, AIEEE, SLEEE, AIPMT, NTSE, KVPY and Science Olympiad. The company operates the tutorial service business through four delivery platforms:

- (a) The classroom training program which is operated through company operated training centres and franchisee centres;
- (b) Distance learning programme;
- (c) Synchro-school programme; and
- (d) Career Point Knowledge Labs.

As at December 31, 2009 CPIL had 14 company operated training centres and 18 franchisee centres spread across 12 states with 30,538 students enrolled at its various centres. CPIL had a team of 210 faculty members as on December 31, 2009 (excluding faculty members of franchisees) comprising graduates in engineering and science. The company hires qualified and experienced faculty and also plans to provide certain incentives to its existing faculty members in the form of ESOPs so as to mitigate to a certain extent the trend of faculty attrition which is extremely widespread in the coaching industry. The company has built a content repository of over 10,000 pages of text content and over 12,000 minutes of video content for

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various tutorial services offered by the company. The video content is available only to the students enrolled at their centres and is not widely distributed.

Education Consultancy and Management Services (ECAMS)

CPIL provides consultancy and management services to schools, colleges and universities through the ECAMS model. The company enters into ECAMS contracts with educational institutions. Under ECAMS, the company provides necessary management services which include laying strategic plans, human resource management services, administrative services, advisory services and information technology related services. Presently, the company provides ECAMS to the Global Public School situated at Kota, off-campus of Singhania University situated at Kota and Gopi Bai Foundation Trust Kota (Raj.) for their proposed university at Kota named Career Point University.

IPO Details

CPIL proposes to make a public offer of equity shares at face value of Rs.10 each aggregating to Rs.115 crore. The proceeds from the issue are intended to be deployed towards:

- Construction and development of an integrated campus facility;
- Expansion of classroom infrastructure and office facility;
- Acquisitions and other strategic initiatives;
- Meeting expenses towards general corporate purposes.

Financial Analysis

During the years FY07-FY09, the total operating income of CPIL grew at a CAGR of 25 percent. The total operating income of the company increased by about 19% in FY09. This was mainly due to an increase in the fees for the various courses offered by CPIL. During FY09, the company had about 27,710 students registered for its various classroom training and distance learning programs as against nearly 28,016 students registered during FY08. The reduction in the number of students was primarily due to a decrease in the enrollments at the franchise centres which was in line with CPIL's objective of focusing on select key performing franchisees and termination of the franchisees not performing upto the company's expectations.

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CPIL's royalty from franchisees declined by 14% to Rs.4.2 crore in FY09 as compared to Rs.4.9 crore in FY08 as the company reduced its dependence on non-performing franchisees.

The equity share capital of the company increased as on March 31, 2008 owing to the issue of 60,000 equity shares of Rs.10 each fully paid up at a premium of Rs.390 per share and an issue of 90,000 equity shares of Rs.10 each fully paid up at a premium of Rs.310/- per share in satisfaction of unsecured loans taken from directors. In addition to this the company had also made an issue of bonus shares as on June 10, 2007

The company had no outstanding term liabilities other than an outstanding overdraft facility of Rs.5.22 crore as on March 31, 2009. The sanctioned limit of the overdraft facility had been enhanced to Rs.9 crore in August 2009 however the sanctioned limits had not been utilized by the company till September 30, 2009. The PBILDT margin declined in FY09 mainly due to an increase in the employee cost and selling expenses. The PAT margin also declined in FY09 due to a slight increase in the interest costs apart from the falling PBIDT margins. As a result, the ROCE of CPIL declined in FY09. The EPS of the company declined in FY08 owing to an infusion of equity however it improved slightly in FY09. The average collection period of CPIL increased to 16 days for FY09 and mainly consisted of royalty fee receivable from its various franchisee centres.

The inventory days also increased for FY09 and inventory is mainly the study material for the various courses conducted by it.

As per the audited results for the half year ended September 2009, CPIL registered an operating income of Rs.31.58 crore (growth of 30 percent over H1FY09) with PBILDT and PAT margins of about 40 percent and 33 percent respectively.

Industry Review

The Indian education system broadly comprises of formal and informal education segments.

a. Formal Education:

Formal education comprises of K-12 (mainly schools) and higher education. This segment is highly regulated by various statutory bodies formed by central and state Governments.

K-12 Education:



K-12 education in India is delivered through various schools that are affiliated with CBSE, ICSE, state boards and other international boards. These schools are either run by the Government or by the private sector. The Government of India has taken various initiatives for increasing the scalability and improving the infrastructure for primary education. It has implemented various programmes like Sarva Shiksha Abhiyan, Mid Day Meal Scheme and National Literacy Mission.

Higher and Technical Education:

Higher education is governed by UGC, comprising graduate/ medical/ engineering courses. As on March 31, 2009, there were 471 universities comprising of 268 state universities, 40 central universities, 125 deemed universities, 5 institutions established under state legislations and 33 institutes of national importance established by central legislation. In addition, there are 22,064 colleges including around 2,260 colleges for women. At the beginning of the academic year 2008-09, the total number of students enrolled in universities and colleges has been reported to be 12.38 millions.

Apart from above, as on December 11, 2009, there are 53 private universities established under various States with state of Rajasthan having majority of private universities.

The technical education system in the country can be broadly classified into three categories, viz. Central Government funded institutions, State funded institutions & Self-financed institutions. In 2008-09, there were 63 Centrally funded institutions of technical and science education besides two Apex level Councils, namely, All India Council for Technical Education (AICTE) and the Council of Architecture

b. Informal Education:

Informal education includes coaching classes for various competitive entrance examinations, pre-schools and vocational training. This type of education is not governed by any regulatory authority.

Growth Drivers in Education Sector:

Increasing population and lower literacy rate: Increasing population and constitution of 32.6% of population in the age group of 0 to 14 years will lead to an increase in the number of schools, colleges and universities.

Increasing per capita income: Per capita income at current prices during 2009-10 is estimated to be Rs. 43,749 as compared to Rs. 40,141 during 2008-09, showing a rise of 9%. This would contribute to increase the spending on education.



Migration to Knowledge Economy: India is migrating towards a services driven economy with the contribution of service and industry sectors to GDP increasing year on year. The lateral shift to a services economy is resulting in migration of people to cities and towns leading to mass urbanization. Increasing urban population and demand for skilled workforce creates the need for better quality education.

Prospects

With the increasing population and rising per capita income, India is likely to emerge as one of the largest market for educational services in the world. The increasing level of competition for admission to professional colleges is likely to propel the demand for coaching institutes in the coming years. Also CPIL has plans to foray into the formal education sector which is likely to witness a surge in demand with the increased focus of the Government towards education which involves opening of a number of schools, colleges etc.

Financial Performance (Standalone)

	(Rs. Cr)		
<i>For the period ended / as at Mar.31,</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
	<i>(12m, A)</i>	<i>(12m, A)</i>	<i>(12m, A)</i>
<u>Working Results</u>			
Income from fees & Royalty	29.07	38.02	45.15
Total Operating income	29.07	38.02	45.15
PBILDT	18.19	20.70	21.54
Interest	0.01	0.06	0.20
Depreciation	0.10	0.20	0.42
PBT	18.02	23.58	24.80
PAT (after deferred tax)	11.97	15.59	16.24
Gross Cash Accruals	11.98	15.86	16.81
<u>Financial Position</u>			
Equity share capital	5.59	12.07	12.07
Networth	18.46	39.10	51.55
Total capital employed	21.39	39.10	56.77
<u>Key Ratios</u>			
<i>Growth</i>			
Growth in Total income (%)	-	31.27	19.36
Growth in PAT (after D.Tax) (%)	-	32.35	4.15
<i>Profitability</i>			
PBILDT/Total Op. income (%)	62.57	54.73	47.70
PAT (after deferred tax)/ Total income (%)	41.18	41.22	35.97
ROCE (%)	166.83	78.17	52.15
RONW	127.62	53.05	35.83
EPS (Rs.)	25.78	12.92	13.46
Average cost of borrowing (%)	0.80	4.11	7.71
<i>Solvency</i>			
Long Term Debt Equity ratio (times)	0.16	NM*	NM
Overall gearing ratio(times)	0.16	NM	0.10

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For the period ended / as at Mar.31,	2007 (12m, A)	2008 (12m, A)	2009 (12m, A)
Interest coverage(times)	1452.17	340.67	104.94
Term debt/Gross cash accruals(years)	0.25	NM	NM
<i>Liquidity</i>			
Current ratio(times)	1.70	4.15	3.12
Quick ratio(times)	1.68	4.03	3.00
<i>Turnover</i>			
Average collection period (days)	2	9	16
Average creditors (days)	19	33	33
Average inventory (days)	7	18	27
Operating cycle (days)	(10)	(7)	9

*NM: Not Meaningful

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Annexure II

Press Release

CARE assigns 'IPO Grade 3' to the proposed Initial Public Offering (IPO) of Career Point Infosystems Limited

Grading

Instrument	Amount (Rs. crore)	Grading²	Remarks
IPO	115	'IPO Grade 3'	Initial Grading
Total Facilities	115		

Grading Rationale

The grading derives strength from the experience of the promoters in the business, strong brand image, diversified course offerings, comfortable financial parameters, presence across 12 states, qualified and experienced faculty, increasing demand of coaching institutes for professional studies and diversification into the formal education system through the Education Consultancy and Management Services (ECAMS) model.

The grading is however constrained by intense competition in the business, risk in terms of retention and hiring of experienced faculty, low entry barriers, plagiarism of course content which forms the core of the business, presence of bigger brands, lack of standardisation at the franchisee centres which leads to student dissatisfaction affecting the brand image of the company, risk of introduction of a regulatory framework.

Company Profile

Career Point Infosystems Ltd. provides tutorial services to high school and post high school students for various competitive entrance examinations including All India Engineering Entrance Examination, Indian Institute of Technology – Joint Entrance Examination and All India Pre-Medical and Pre-Dental Test. The tutorial services are provided through classroom training programmes conducted through a network of company operated training centres and franchisee centres.

On a total operating income of Rs.45.15 crore in FY09, CPIL earned a PAT of Rs.16.24 crore. The margins of CPIL however declined in FY09 with a PBILDT

²Complete definition of the grading assigned is available at www.careratings.com and in other CARE Publications

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margin of 47.70 %and PAT margin of 35.97% mainly due to increased employee cost and selling expenses and an increase in the depreciation and interest cost respectively. As per the audited results for the half year ended September 2009, CPIL registered an operating income of Rs.31.58 crore (growth of 30 percent over H1FY09) with PBILDT and PAT margins of about 40 percent and 33 percent respectively.

Analyst Contact

Name: Gaurav Dixit

Tel # 67543483

Mobile # 9892962879

Email:Gaurav.dixit@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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Chief Executive Officer
Career Point Infosystems Limited
112B, Shakti Nagar,
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☎ : 67543456 Fax : (022) 67543457
E-mail : care@careratings.com
www.careratings.com

August 25, 2010

Confidential

Dear Sir,

IPO Grading

Please refer to our IPO Grading letter dated April 19, 2010 and your subsequent letter dated August 23, 2010 requesting us to revalidate the grading assigned to Career Point Infosystems Ltd's (CPIL) Initial Public Offering (IPO) of equity shares of face value of Rs.10 each, aggregating Rs.115 crore.


2. It has been decided to reaffirm the grading of '**CARE IPO Grade 3' [Grade Three]** to the proposed IPO issue of CPIL. **CARE IPO Grade 3** indicates **average fundamentals**. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer.
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5. Please arrange to get the grading revalidated, in case the proposed IPO issue is not made within three months from the date of this letter.
6. Please note that the IPO grading is a one time exercise undertaken before an IPO issue and it does not have any ongoing validity.
7. Please note that as per the existing regulations, CARE is required to disclose all IPO gradings.


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8. Please note that the disclaimer as given hereunder should be disclosed wherever the IPO grading assigned by CARE is mentioned, including offer document and issue prospectus.
9. If you need any clarification, you are welcome to approach us in this regard.

Thanking You,

Yours faithfully,


[Sonam Doda]
Dy. Manager


[Gaurav Dixit]
Sr. Manager

Encl : As above

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