



SANGAM ADVISORS LIMITED

Our Company was originally incorporated with the Registrar of Companies, Mumbai, Maharashtra, on June 22, 1999 as Sangam Advisors Private Limited. Pursuant to shareholders Resolution dated November 15, 2011 the Company was converted into Public Limited Company and the name was changed to Sangam Advisors Limited. For details of the changes in our name and Registered Office, refer "History and Certain Corporate Matters" on page 106 of this Draft Prospectus.

Registered Office: 33/34, 3rd Floor, Printing House, 28 – D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai – 400 001.

Tel: +91 – 22 – 2262 1318; **Fax:** +91 – 22 – 2262 1318; **Email:** info@sangamadvisors.com; **Website:** www.sangamadvisors.com

Contact Person: Mr. Suraj Gulgulia, Compliance Officer

Our Promoter: Giza Estates Private Limited

THE ISSUE

PUBLIC ISSUE OF 23,04,000 EQUITY SHARES OF ₹ 10/- EACH ("EQUITY SHARES") OF SANGAM ADVISORS LIMITED ("SAL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT PRICE OF ₹ 22/- PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 506.88 LACS ("THE ISSUE"), OF WHICH, 3,42,000 EQUITY SHARES OF ₹ 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (AS DEFINED IN THIS PROSPECTUS) (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 19,62,000 EQUITY SHARES OF ₹ 10 EACH IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 37.75% AND 32.15%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

**THE FACE VALUE OF EQUITY SHARES IS Rs. 10. THE ISSUE PRICE IS ₹ 22.
THE ISSUE PRICE IS 2.20 TIMES OF THE FACE VALUE.**

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 (as amended from time to time)
For further details see "Issue Related Information" beginning on page 179 of this Draft Prospectus.

All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 185 of this Draft Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the company, there has been no formal market for the securities of the company. The face value of the shares is ₹ 10/- per Equity Share and the issue price is 2.20 times the face value. The Issue Price (as determined by Company in consultation with the Lead Manager) as stated under the paragraph on "Basis for Issue Price" on page 64 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision investors must rely on their own examination of the issuer and the issue including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this document. **Specific attention of the Investors is invited to the statement of Risk Factors beginning on page 12 of this Draft Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principal listing approval for the shares being offered in this issue. However, our company has received an approval letter dated [•] from BSE for using its name in this offer document for listing our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGER TO THE ISSUE

LEAD MANAGER TO THE ISSUE



Aryaman Financial Services Limited

60, Khatau Building, Ground Floor,
Alkesh Dinesh Modi Marg, Fort,
Mumbai – 400 001.
Tel No.: +91 – 22 – 2261 8264 / 8635
Fax No.: +91 – 22 – 2263 0434.
Web: www.afsl.co.in
Email: info@afsl.co.in
Contact Person: Ms. Ambreen Khan / Mr. Deepak Biyani
SEBI Registration No. INM000011344

Purva Share Registry (India) Private Limited

9, Shiv Shakti Industrial Estate, J.R. Boricha Marg,
Off N.M. Joshi Marg, Near Lodha Excelus, Lower Parel (E),
Mumbai – 400 011, India
Tel: +91 – 22 – 2301 8261 / 2301 6761
Fax: +91 – 22 – 2301 2517
Website: www.busi-comp.com
Email: busicomp@vsnl.com
Contact Person: Mr. Rajesh Shah
SEBI Registration No.: INR000001112

ISSUE OPENS ON

ISSUE CLOSES ON

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[•]



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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Draft Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

Conventional / General Terms

Term	Description
“SAL”, “the Company”, “our Company”, “Issuer”, “we”, “us” or “our” and “Issuer Company”	Sangam Advisors Limited, a public limited company incorporated under the Companies Act, 1956 with its registered office at “33/34, 3 rd Floor, Printing House, 28 – D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai – 400 001.

Company related Terms

Term	Description
Articles or Articles of Association or AoA	The articles of association of our Company, as amended from time to time.
Board, Board of Directors or our Board	The board of directors of our Company duly constituted from time to time.
Director(s)	The director(s) of our Company.
Giza Estates Private Limited or GEPL or our Promoter	Giza Estates Private Limited, a private limited company incorporated under the Companies Act, 1956, with its registered office at “17/19, Naviwadi, Nand Bhawan, Ground Floor, Dadiseth Agiary Lane, Mumbai – 400 002.”
Memorandum, our Memorandum or Memorandum of Association	The Memorandum Of Association of our Company, as amended from time to time.
Our Banker / Banker to the Company	UCO Bank, Punjab National Bank (PNB)
Our Promoters	Refers to Giza Estates Private Limited
Our Promoter Group / Group Entities	Refers to Mr. Gauri Shankar Bajaj, Mr. Devaki Nandan Lahoti, Ms. Manju Lahoti, Mr. Rinkesh Lahoti
Peer Reviewed Auditor	The peer reviewed auditor of our Company, being M/s. R. T. Jain & Co., Chartered Accountants, Mumbai.
Registered and Corporates Office	The Registered And Corporate Office of our Company, Situated at, 33/34, 3 rd Floor, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai-400001, Maharashtra, India.
RoC / Registrar of Companies, Mumbai	The Registrar of Companies located at Everest Building, 100, Marine Drive, Mumbai – 400 002, Maharashtra, India.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time depending on the context of the matter being referred to.
Statutory Auditor	The statutory auditor of our Company, being M/s. Mahesh Bairat & Associates, Chartered Accountants.



Issue Related Terms

Term	Description
Allot / Allotment / Allotment of Equity Shares	Unless the context otherwise requires, the allotment of Equity Shares, pursuant to this Issue to the successful Applicants
Allocation / Allocation of Equity Shares	Unless the context otherwise requires, the allocation of Equity Shares pursuant to this Issue to the successful Applicants
Allottee	Successful Applicants to whom Equity Shares are / have been allotted.
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company.
Applications Supported by Blocked Amount / ASBA	Applications Supported by Blocked Amount (ASBA) means an application for subscribing to the Issue containing an authorisation to block the application money in a bank account maintained with SCSB.
ASBA Account	Account maintained by an ASBA Applicants with an SCSB which will be blocked to the extent of the Application Amount.
ASBA Investor	Any prospective investor(s) in this Issue who apply through the ASBA process.
Banker(s) to this Issue / Escrow Collection Banks	The bank(s) which is / are clearing members and registered with the SEBI as bankers to the Issue with whom the Escrow Account will be opened, being Axis Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the Chapter titled “Issue Procedure” beginning on page 185 of this Draft Prospectus.
Controlling Branches	Such branches of the SCSBs which co-ordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant / DP	A Depository Participant as defined in the Depositories Act.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time, in this case being CDSL and NSDL.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available on www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the amount blocked by the SCSBs is transferred from the ASBA Account specified by the ASBA Applicants to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Applicants.
Eligible NRIs	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Draft Prospectus constitutes an invitation to subscribe to the Equity Shares issued herein.
Equity Shares	Equity Shares of our Company of face value of ₹ 10 each.
Escrow Account	Account opened with Escrow Collection Bank(s) and in whose favour the Applicant will issue cheque(s) or draft(s) in respect of the Application Amount when submitting an Application(s).



Term	Description
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the LMs and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of the amounts collected from the Applicants (excluding ASBA Applicants) on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks, which are registered with SEBI as Banker(s) to the Issue at which the Escrow Account for the Issue will be opened.
Indian GAAP	Generally Accepted Accounting Principles in India.
Issue / Issue Size / Initial Public Issue	Public Issue of 23,04,000 Equity Shares of ₹ 10 each of Sangam Advisors Limited (“SAL” or the “Company” or the “Issuer”) for cash at a price of ₹ 22 per Equity Share (including a share premium of ₹ 12 per Equity Share) aggregating to ₹ 506.88 lakhs. The Issue will constitute 37.75% of the post issue paid up capital of the Company.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being ₹ 22.
Issue Proceeds	Proceeds to be raised by our Company through this Issue.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the SME Platform of BSE.
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services Limited.
Market Maker Reservation Portion	The Reserved portion of 3, 42,000 Equity shares of ₹ 10/- each at ₹ 22 (including share premium of ₹12/-) per Equity Share aggregating to ₹ 75. 24 Lakhs (Rupees Seventy - Five Lakhs and Twenty – Four Thousand Only) for Designated Market Maker in the Initial Public Issue of Sangam Advisors Limited.
Mutual Funds	Means mutual funds registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 19,62,000 Equity Shares of ₹ 10/- each at ₹ 22 (including share premium of ₹12/-) per Equity Share aggregating to ₹ 431.64 Lakhs (Rupees Four Crores and Thirty one Lakhs and Sixty-Four Thousand Only) by Sangam Advisors Limited.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Non-Institutional Investors	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than ₹ 2,00,000.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information
QIBs/ Qualified Institutional Buyers	As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory



Term	Description
	and Development Authority, provident fund with minimum corpus of ₹ 2,500 lakhs, pension fund with minimum corpus of ₹ 2,500 lakhs, NIF and insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India
Refund Account(s)	Account(s) to which subscription monies to be refunded to the investors (excluding the ASBA Applicants) shall be transferred from the Public Issue Account.
Refunds through electronic transfer of funds	Refunds made through NECS, Direct Credit, NEFT or the ASBA process, as applicable
Refund Banker(s)	The bank(s) which is/ are clearing members and registered with the SEBI as Bankers to the Issue, at which the Refund Accounts will be opened, in this case being Axis Bank Limited.
Registrar/ Registrar to this Issue	Registrar to the Issue being Purva Sharegistry (India) Private Limited.
Retail Individual Investors	Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i>) and ASBA Applicants, who have Applied for an amount less than or equal to ₹ 2,00,000.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)
Self Certified Syndicate Banks (SCSBs)	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 and which offers the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time.
SCSB Agreement	The deemed agreement between the SCSBs, the LMs, the Registrar to the Issue and our Company, in relation to the collection of Applicants from the ASBA Applicants and payment of funds by the SCSBs to the Public Issue Account.
SME Platform of BSE	The SME Platform of BSE for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
Stock Exchange	Unless the context requires otherwise, refers to, the BSE Limited.
Underwriters	Aryaman Financial Services Limited and K.M. Jain Stock Brokers Pvt. Ltd.
Underwriting Agreement	The agreement dated May 12, 2012 to be entered into between the Lead Manager, Underwriter, Designated Market Maker and our Company.
Working Days	Unless the context otherwise requires: (i) Till the Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday; (ii) Post the Application / Issue closing date: All days other than a Sunday or a public holiday And on which commercial banks in Mumbai are open for business in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010.

Industry Related Terms

Term	Description
ADR	American Depository Receipt
AMC	Asset Management Company
AMFI	Association of Mutual Funds of India
Bonds	A certificate of debt (usually interest-bearing or discounted) that is issued by a government or corporation in order to raise money; the issuer is required to pay a fixed sum annually until maturity and then a fixed sum to repay the principal.



Term	Description
Commodities Market/ Commodities Segment	An exchange for buying and selling of commodities for future delivery.
Currency Futures Market / Currency Futures Segment	Market where currency future contracts are traded.
Derivatives	Derivative is a product whose value is derived from the value of one or more basic variables, called bases (underlying asset, index or reference rate), in a contractual manner. The underlying asset can be equity, forex, commodity or any other asset.
Derivatives Market	The financial markets for derivatives and financial instruments like futures contracts or options, which are derived from other forms of assets.
F&O	Futures and Options
Fixed Income Securities	Fixed income securities can be issued by a wide range of organisations including the Central and State Governments, public bodies, statutory corporations, banks and institutions and corporate bodies
FPO	Follow-on Public Offer
Futures Contract	A futures contract is a standardised contract to buy or sell a specified securities or commodities of standardised quality at a certain date in the future and at a market-determined price (the futures price). The contracts are traded on a futures exchange.
FX/Foreign Exchange market	The foreign exchange market (forex, FX, or currency market) is a worldwide decentralised over-the-counter financial market for the trading of currencies.
FMC	Forward Market Commission
GDR	Global Depository Receipt
HNI	High Networth Individual
IP	Intellectual Property
IRDA	Insurance Regulatory and Development Authority
IS	Information System
Market Capitalisation	Number of outstanding shares multiply by Current Market price of one share.
Options Contract	The right, but not the obligation, to buy or sell a specific amount of a given stock, commodity, currency, index, or debt, at a specified price during a specified period of time.
QIP	Qualified Institutional Placement
SENSEX	Bombay Stock Exchange Sensitive Index
STT	Securities Transaction Tax
Wholesale Debt Market	A market for the issuance, trading and settlement in fixed income securities of various types.

Conventional/General Terms/Abbreviations

Abbreviation	Full Form
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
Asst	Assistant
AY	Assessment Year; the period of twelve months commencing from the first day of April every year
Bn	Billion
BSE	BSE Limited



Abbreviation	Full Form
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CPC	Centralized Processing Center
CRR	Cash Reserve Ratio
Companies Act	The Companies Act, 1956, as amended from time to time
CSO	Central Statistics Office
Depositories Act	The Depositories Act, 1996, as amended from time to time
DIN	Director's Identification Number
DMO	Debt Management Office, Ministry of Finance
DP	Depository Participant
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortisation and extraordinary items
ECB	External Commercial Borrowings
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings per Share
ESIC	Employee's State Insurance Corporation
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	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, as amended
FII	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIPB	Foreign Investment Promotion Board
FY	Financial Year
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
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/ Government	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
IPO	Initial Public Offer
IRDA	Insurance Regulatory and Development Authority
I. T. Act	The Income Tax Act, 1961, as amended from time to time
I. T. Rules	The Income Tax Rules, 1962, as amended from time to time
Ltd.	Limited



Abbreviation	Full Form
MoF	Ministry of Finance, Government of India
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
MICR	Magnetic Ink Character Recognition
MoA	Memorandum of Association
MOU	Memorandum of Understanding
Mn	Million
MNC	Multi National Company
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 Fiscal.
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NBFC	Non-Banking Finance Company
NRE Account	Non-resident External Account
NRIs	Non-resident Indians
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
OCB	Overseas Corporate Bodies
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price/Earnings Ratio
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
₹ / ` / Rupees / INR /	Indian Rupees, the legal currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1995, as amended from time to time
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as amended.
sq.ft.	Square feet
sq.mtrs.	Square meters



Abbreviation	Full Form
TDS	Tax Deducted at Source
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time
ULIP	Unit Linked Insurance Plan
UoI	Union of India
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. or US or U.S.A	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 Funds) Regulations, 1996, as amended
Working Days	All days except Saturday, Sunday and public holiday

Notwithstanding the following: -

- (i) In the section titled '*Main Provisions of the Articles of Association*' beginning on page 202 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
- (ii) In the section titled '*Financial Information*' beginning on page 132 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section; and
- (iii) In the chapter titled "*Statement of Possible Tax Benefits*" beginning on page 67 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that chapter.



PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

Financial data

Unless stated otherwise, the financial data which are included in the Draft Prospectus are derived from the restated financial statements of the Company, prepared in accordance with Indian GAAP and the SEBI (ICDR) Regulations.

The fiscal year of the Company commences on April 1st of each year and ends on March 31st of the next year. All references to a particular fiscal year are to the 12 month period ended March 31st of that year. In the Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in the Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “Risk Factors”, “Business Overview”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and elsewhere in the Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with Indian GAAP.

Currency of presentation

In the Draft Prospectus, references to “Rupees” or “₹” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten millions’ and ‘billion / bn. / Billions’ means ‘one hundred crores’.

Market and industry data

Unless stated otherwise, industry data used throughout the Draft Prospectus has been obtained from industry publications including *inter alia* RBI and Ministry of Finance. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry data used in the Draft Prospectus is reliable, it has not been verified by any independent source.

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



FORWARD LOOKING STATEMENTS

We have included statements in the Draft Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result in”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements.

These forward-looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- The performance of the Indian and Global financial markets;
- Increased competition or other factors affecting the industry segments in which our Company operates;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various financial products;
- Our ability to meet our capital expenditure requirements and/or increase in capital expenditure;;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in technology;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Any adverse outcome in the legal proceedings in which we are involved.
- Market fluctuations and industry dynamics beyond our control;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- Contingent liabilities, environmental problems and uninsured losses; and
- Changes in government policies and regulatory actions that apply to or affect our business;

For further discussion of factors that could cause our actual results to differ, see the section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 12 and 153 respectively of the Draft Prospectus.



SECTION II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in the Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a complete understanding, you should read this section in conjunction with the sections “Business Overview” beginning on page 95, “Industry Overview” beginning on page 77 and “Management's Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page 153 as well as the other financial and statistical information contained in the Draft Prospectus. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business, financial condition and results of operations. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the effect is not quantifiable and hence the same has not been disclosed in such risk factors. In making an investment decision, prospective investors must rely on their own examination of the Company and the terms of the Issue, including the risks involved.

Materiality:

The risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

- a) Some events may not be material individually, but may be found material collectively.*
- b) Some events may have material impact qualitatively instead of quantitatively.*
- c) Some events may not be material at present but may have material impact in future.*

Internal Risks

INTERNAL RISK FACTORS AND RISKS RELATING TO OUR BUSINESS

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

The objects of the issue for which the funds are being raised have not been appraised by any bank or financial institution. In the absence of such independent appraisal, the requirement of funds raised through this issue, as specified in the section titled “Objects of the Issue” are based on the company’s estimates and internal research. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. This may result in rescheduling of our expenditure plans and an increase or decrease in our proposed expenditure for a particular object. Deployment of these funds is at the discretion of the management and the Board of Directors of the company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

- 2. We are significantly dependent on few major customers. For the fiscal year ended March 31, 2012 and the fiscal year ended March 31, 2011, our top 5 clients have contributed to 64.47% and 51.08% of our total fee based income.***

We provide customized financial advice and syndication solutions to Small and Mid-Size Corporates. We are significantly dependent on revenues from a limited number of clients and this trend may continue in the future. For the fiscal year ended March 31, 2012 and the fiscal year ended March 31, 2011, our top 5 clients have contributed to 64.47% and 51.08% of our total fee based income. Our business is significantly dependent on developing and maintaining relationships and obtaining business from such clients. Since, these customers generally deal with us for specific assignments; we may lose these customers from year to year after their assignments with us are completed.



Our business and results of operations will be adversely affected if we are unable to develop and maintain a continuing relationship with certain of our key clients or develop and maintain relationships with other new clients. The loss of a significant client or a number of significant clients may have a material adverse effect on our business prospects and results of operations.

- 3. *We do not have a fixed investment plan or a definitive agreement to utilize a substantial portion of the issue proceeds amounting to ₹ 455 lakhs which is 89.76 % of the Issue size.***

One of the objects of this issue is to raise funds that will enable our company to invest in listed / unlisted securities and financial products, both in the primary and the secondary markets to the tune of ₹ 455 Lakhs. Since, these investments may include unlisted companies, whose due diligence may take a longer time than the listed companies; such investments may take time to be made. Also, the management, in the best interest of the company, may defer the investments or change the instruments of investments or if the market situation does not seem to be conducive for a profitable deployment of funds, may altogether utilize the issue proceeds for such other uses, which in its absolute discretion is the most profitable deployment of funds at that point of time. Further, an amount of ₹ 9.88 Lakhs has been earmarked to be utilized for General Corporate Purposes, and even for the same the company does not have a definitive contractual agreement or utilisation plan.

- 4. *Investment of the issue proceeds in various investment instruments, as detailed in our Objects of Issue, may not give returns as anticipated and the investments may suffer losses.***

Substantial portion of issue proceeds of the issue are proposed to be utilised for investments in listed / unlisted securities and financial products. These investments by their nature carry a risk of partial or complete loss of capital due to systemic risks inherent in the financial markets and the un-systemic risks specific to the issuer of these instruments. Despite due care taken by the management, in selection of instruments, quantum of investment and timing of these investments our company may not get returns on investments as expected and may also suffer partial or complete loss of invested capital. The financial impact of such an event cannot be anticipated at this point of time.

- 5. *The deployment of funds raised through this issue shall not be subject to any Monitoring Agency and shall be purely dependent on the management of the company.***

Since the issue size is less than ₹ 500 crores, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this issue, is hence at the discretion of the management and the Board of Directors of the company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

- 6. *Our Main Objects are in conflict with that of our Promoters. Any substantial conflict of interest in the future could adversely affect our growth possibilities.***

One of the promoters of our Promoter Company M/s. Giza Estates Private Limited, Mr. Gauri Shankar Bajaj carries on the business of Stock broking as a sub-broker which is indirectly similar to the one of the objects of our Company as per our MOA. Since, the company has till date not done any Brokerage business this has not been of any material effect on the company, however since the company may enter into this business at a future date, this may create a potential conflict of interest. For details on the Interests of our Promoter in our Company, please see “Our Management” beginning on page 110 of this Draft Prospectus.

- 7. *The revenues earned from our investment and securities business have been inconsistent in the past and may continue to be inconsistent due to the very nature of this business which is dependent on the overall volatility in the Capital Markets in India.***

We are engaged in the business of investments and trading in listed / unlisted securities and financial products for the past three years. Despite our efforts to earn favorable returns on our capital employed in these uncertain and volatile financial markets, even though, we have not made any losses on these investments, we have not been successful in



earning very high revenues from this business vertical. We have reported Net Revenues from Securities Trading and Investment Business (including dividend income) of (₹ 17.66 Lakhs, ₹ 6.24 Lakhs and ₹1.29 Lakhs) for the financial year ended March 31, 2012, 2011 and 2010 respectively. We propose to use approximately ₹ 455 Lakhs for this Business Vertical and depending on the overall period to period overall volatility in the Capital Markets in India our future revenues from this vertical could be volatile and inconsistent.


- 8. We have not made any alternate arrangements for meeting our regular working capital requirements. If our operations do not generate the necessary cash flow, our working capital requirements may negatively affect our asset portfolio related decisions and our hence affect our financial condition.**

As on date, we have not made any alternate arrangements for meeting our working capital requirements. We meet our working capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations.

- 9. Our Registered Office from which we operate is not owned by us. In the event we are unable to renew the Lease and License Agreement, or if such agreement is terminated, we may suffer a disruption in our operations.**

Our Registered office situated at 33/34, 3rd Floor, Printing House, 28-D, Police Court Lane, Fort, Mumbai – 400 001 is taken on rent basis from Ms. Kalpana R. Desai at a monthly rent of ₹ 20,000/-. The tenure of this agreement is for 11 months (which expires on December 31, 2012). Upon the termination of the lease, we are required to return the said office premises to the Licensor. The term of the agreement may or may not be renewed. In the event the Licensor terminates or does not renew the license on commercially acceptable terms, or at all, and we are required to vacate our office, we may be required to identify alternative premises and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business and may adversely affect our operations and profitability.

- 10. We have applied for registration of our name and logo but do not own the trademark legally as on date. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.**

We have applied for registration of our name and logo  **SANGAM ADVISORS LIMITED** under the provisions of the Trademarks Act, 1999 and do not own the trademark as on date. As such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the trademark and the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Further, we cannot assure you that any application for registration of our trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

- 11. We have not declared dividend on Equity Shares in the last five years and there can be no assurance that we will declare any dividends in future.**

We have not declared dividend on Equity Shares in last five years. The amount of dividend payments in future, if any, will depend upon several factors including our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will pay dividend in future.



12. Major fraud, lapses of internal control or system failures could adversely impact Company's business.

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

13. Future issuances of Equity Shares or future sales of Equity Shares by our Promoters and certain shareholders, or the perception that such sales may occur, may result in a decrease of the market price of our Equity Shares.

In the future, we may issue additional equity securities for financing and other general corporate purposes. In addition, our Promoters and certain shareholders may dispose of their interests in our Equity Shares directly, indirectly or may pledge or encumber their Equity Shares. Any such issuances or sales or the prospect of any such issuances or sales could result in a dilution of shareholders' holding or a negative market perception and potentially in a lower market price of our Equity Shares.

14. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial condition.

The details of Cash flows of the Company are as follows:-

Particulars	(Amount in ₹)				
	Year ended 31.03.08	Year ended 31.03.09	Year ended 31.03.10	Year ended 31.03.11	Year ended 31.03.12
Net Cash (used in) / from Operating activities	5,443	130,265	(1,14,40,984)	(60,448,980)	68,773,027
Net cash (used in) / from investing activities	-	(12,00,000)	28,02,800	(2,71,24,805)	14804299
Net cash (used in) / from financing activities	Nil	10,50,000	1,11,90,000	85730000	83360250
Net increase / (decrease) in cash and cash equivalents	5,443	(19,735)	25,51,816	(18,43,784)	217,076

If the negative cash flow trend persists in future, our Company may not be able to generate sufficient amounts of cash flow to finance our make new capital expenditure, implement our growth plans, manage our working capital cycle, pay dividends or make new investments which could have a material adverse effect on our business and results of operations.

15. Our industry is highly fragmented and competitive and increased competitive pressure may adversely affect our results.

We operate in a highly fragmented and competitive industry. All aspects of our business are intensely competitive. Our competitors are other financial advisory firms. Many of our competitors have significantly greater financial, technical, marketing and other resources than those available to us. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of our people, market focus and the relative quality and price of our services and products. Many of our competitors have the ability to offer a wider range of products and services that may enhance their competitive position. Competition is also intense for the recruitment and retention of qualified professionals. As the industry is highly fragmented, we face competition from local financial advisory firms, who may be able to provide the advisory services at fees and costs lower than ours. Our inability to compete successfully in our industry would materially and adversely affect our business prospects and results of operations.



16. Our inability to effectively implement our growth strategies or manage our growth could have an adverse effect on our business, results of operations and financial condition.

Since, the change in management of our company in 2010, we have experienced high growth rates in all business verticals and operational scales. Our growth strategy envisages a very strong asset size and operational income growth. However, there could be a possibility that we may not grow at a comparable rate to our growth rate in the past or the required growth rate to effectively compete in the market either in terms of profit or income. Further, such growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls and more importantly adhering to quality and high standards that meet customer expectations. Also, the directors of the present promoter do not have track record of managing any other listed company and their business experience is limited to managing closely held companies in the field of stock broking and financial services. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

17. Post this Issue, our Promoters and Promoter Group shareholding will be diluted in our Company.

Post this Issue, our Promoters and Promoter Group will collectively own only 30.93% of our Equity Share capital. Accordingly, our Company will run the risk of change in control in our Company or prevent a change in control in our Company, facilitate a merger, consolidation, takeover or other business combination involving our Company, or encourage potential acquirers from making an offer or otherwise attempting to obtain control over our Company even if it is not in its best interest.

18. We face risks associated with potential acquisitions, investments, strategic partnerships or other ventures that could adversely affect our results of operations.

We may acquire or make investments in complementary businesses, technology, services or products or enter into strategic partnerships with parties who can provide access to those assets, if appropriate opportunities arise. The general trend towards consolidation in the financial services industry increases the importance of our ability to successfully complete such acquisitions and investments. We may not identify suitable acquisition, investment or strategic partnership, candidates, or if we do identify suitable candidates, we may not complete those transactions on commercially acceptable terms or at all. If we acquire another company, we could have difficulty in assimilating that company's personnel, operations, technology and software. In addition, the key personnel of the acquired company may decide not to work for us. If we make other types of acquisitions, we could have difficulty in integrating the acquired products, services or technologies into our operations. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

19. Income Tax amounts aggregating to ₹ 7,982 are being claimed from our company as "Arrears Demand" by the Assistant Commissioner of Income Tax - Centralized Processing Center. Any material adverse development in these matters could, in the future, result in a litigation or dispute and would affect our financial condition, results of operations and goodwill to that extent.

Our company has received a computer generated communication dated November 08, 2011 regarding tax arrears from the Centralized Processing Center of the Income Tax Department intimating us that an amount of ₹ 7,982 for the A.Y. 2007-08, is showing as income tax outstanding from our company in their records. Our Company has responded vide letter dated April 20, 2012 and filed for a rectification order U/s 154 of the Income – Tax Act, 1961, However, since, the matter has not been reconciled/re-assessed by the Assessing Officer till date, the Intimation received from the CPC of the Income Tax Department shall be deemed to be a intimation u/s 245 of the Income Tax Act, 1961 and hence, we shall not be disbursed any future tax refunds until we clear out the concerned liabilities as pointed out. Also, contrary to our claim and representations, in case we are required to pay these amounts, we would then be liable to pay the same with interest u/s 220 of the Income Tax Act, 1961. In the event, we are unable to complete our assessment; this; may result in a dispute or a litigation in the future and could also have an effect on our financial condition, results of operations and goodwill to that extent.



20. An increase in or enforcement of our contingent liabilities may adversely affect our financial condition.

Our contingent liability as on March 31, 2012 towards Income Tax Arrear Demand aggregated to ₹7,982.

If this contingent liability materializes, fully or partly, the financial condition of our Company could affect our financial condition. For more information, regarding our contingent liabilities, please refer Annexure XI on page 146 of the chapter titled “Financial Statements” beginning on page 132 of Draft Prospectus.

21. Our Company has undergone change of management control in 2010, before which, we were having a lower level of operations in our industry and hence a low level of market awareness regarding our company. In case we are unable to create the awareness required for generating necessary business we would not be able to achieve our growth targets.

The present promoter, M/s. Giza Estates Private Limited, had acquired substantial paid up equity share capital and management control of the Company in 2010. Compliance with SEBI (SAST) Regulations was not applicable since the shares of GEPL were not listed on any Stock Exchange in India. After this change in management our company has aggressively grown in the field of Advisory Business and Investment verticals and has started generating the goodwill and awareness in the market. If we are not able to continuously generate awareness regarding our new management and its abilities, we would not be able to generate the business opportunities required to achieve our growth targets.

22. Our Company does not own any material fixed assets at present.

Our company and its business are not capital intensive in nature. Hence, majority of our assets are held in form of monetary assets such as Investments, Cash and Bank Balances etc. Also, post this issue majority of assets would still be held in Non-Fixed Assets such as Investments and Financial Securities. A low Fixed Asset size would make it difficult for our company to avail any secured funding from banks and financial institutions if the same is required on an urgent basis.

23. We have not provided for the decline in value of our investments as on March 31, 2012.

As per our restated financial statements the Investments in our books as on March 31, 2012 are aggregating to ₹ 363.64 lakhs. However the market value of such investments is aggregating to ₹ 278.52 lakhs. Since these investments are long term in nature we have not made any provision for such decline in value of such investments. Any future depreciation in the value of these investments could have a material adverse effect on our results of operations and financial condition. For further details, please refer chapter titled “Financial Information of the Issuer” – Annexure V beginning from page 143 of this Draft Prospectus.

24. Difficult market conditions can adversely affect our business in many ways, including by reducing the volume of the transactions involving our advisory business, and these could materially reduce our revenue or income.

We are a company that has recently started financial and advisory services. Our business in this area can be materially affected by conditions in the domestic and global financial markets and economic conditions in India and throughout the world. During periods of unfavorable market or economic conditions, the volume and value of advisory services may decline even as there could be an increase in the price competition among financial services companies seeking such engagements. A market downturn would likely lead to a decline in the volume of transactions that we may execute for our customers as well as a decrease in fees that we earn. Consequently, our profitability may also be adversely affected.

Our ability to grow our new lines of business viz. management consultancy and advisory services on corporate financial and commercial aspects and investment activities may be limited in difficult market conditions. We are unable to quantify the impact of any such adverse market conditions on our business and/or financial condition.



25. Some of our objects for which this issue is being made, may require us to obtain further regulatory approvals such as NBFC registration from Reserve Bank of India.

One of the objects of the issue is to make investments in listed / unlisted securities and financial products and make strategic investments in business. Currently, since more than 50% of our revenue is derived from the Advisory business, we are not required to obtain a NBFC Registration to carry out our investments and trading activities. However, we shall obtain the necessary registration as Non-Banking Finance Company from Reserve Bank of India, as and when it becomes applicable. There can be no assurance that we will succeed in obtaining such registration from Reserve Bank of India. Further, our Company does not presently have any alternate plan in case we do not succeed to obtain the NBFC registration from RBI.

26. Increased competition for skilled employees and salary increases for our employees may reduce our profit margin.

Due to sustained economic growth in India and increased competition for skilled employees in India over the last few years, wages of skilled employees are increasing at a fast rate. Accordingly, we may need to increase our levels of employee compensation rapidly to remain competitive in attracting the quality of employees that our business requires. Salary increases may reduce our profit margins and have a material and adverse effect on our results of operations.

27. Our operations rely substantially on our Executive Management Team and their resignation from our Company could adversely affect the business.

The success and future performance of our Company is dependent on our executive management team and their continued services to our Company. We have professionals who are responsible for the day-to-day operations and to drive the business growth. If one or more members of our management team are unable or unwilling to continue with our Company, we may find it difficult to replace such people and our business may be adversely affected. Competition in the financial services industry for qualified employees is intense. Our continued ability to compete effectively in our businesses depends on our ability to attract new employees and to retain and motivate our existing employees. Our inability to hire and retain such employees could adversely affect our business.

28. Fluctuations in operating results and other factors may result in decrease in Equity Share price.

Stock markets have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Equity Shares. There may be significant volatility in the market price of our Equity Shares. If our Company is unable to meet market or investor expectations in relation to our financial performance, investors could sell our Equity Shares when it becomes apparent that the expectations of the market may not be realized, resulting in a decrease in the market price of our Equity Shares. In addition to our Company's operating results, changes in financial estimates or recommendations by analysts, governmental investigations, litigations, speculation in the press or investment community, the possible effects of a war, terrorist and other hostilities, changes in general conditions in the economy or the financial markets or other developments affecting the financial services industry, could cause the market price of Equity Shares to fluctuate substantially.

29. Our share prices post listing may experience volatility.

After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop. The prices of our Equity Shares on the Stock Exchanges may fluctuate as a result of several factors, including:

- Uncertainty in the Indian and global securities market;
- Our results of operations and performance, in terms of market share;
- Performance of the Indian economy;
- Changes in Government policies;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Perceptions about our future performance or the performance of specialty chemical companies generally;



- Performance of the Company's competitors ;
- Adverse media reports on our Indian capital markets;
- Changes in the applicable tax incentives;
- Significant developments in India's economic liberalization and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations
- There can be no assurance that the price at which our Equity Shares are initially traded will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue.

30. Investors will not be able to immediately sell any of the Equity Shares allotted in the Issue on BSE.

Under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, we are permitted to allot and list the Equity Shares within twelve days of the closure of the Public issue. Consequently, the Equity Shares allotted to the Investor in the Issue may not be credited to their demat account, with Depository Participants until approximately twelve days after the issuance of the Equity Shares. Investors can start trading in the Equity Shares only after the Equity Shares have been credited to their demat account and listing and trading permissions are received from the Stock Exchange.

31. Our Company has not taken any insurance coverage to adequately protect us against certain operating risks and this may have an adverse effect on the results of our business.

We have not taken any insurance coverage for a number of the risks associated with our business, such as insurance cover against loss or damage by fire, explosion, burglary, theft and robbery. To the extent that we suffer any loss or damage that is not covered by insurance, our business and results of operations could be adversely affected. For details of the insurance coverage taken by us see "Business Overview—Insurance" on page 102 of this Draft Prospectus.

EXTERNAL RISK FACTORS

32. Tax rates applicable to Our Company may increase and may have an adverse impact on our business.

The tax rates including surcharge and education cess applicable to us for fiscal 2012 are 33.22%. Any increase in the tax rates may have an adverse impact on our business and results of operations and we can provide no assurance as to the extent of the impact of such changes.

33. Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued in the future. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and adversely affect our business, financial condition and results of operations.

34. Civil unrest, acts of violence including terrorism or war involving India and other countries could materially and adversely affect the financial markets and our business.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally.

35. All of our revenue is derived from business in India and a decrease in economic growth in India could cause our business to suffer.



We derive all of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. This economy has sustained growth over the five years ended fiscal 2010 with an average real gross domestic product growth rate of approximately 8.5%. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

36. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business, financial condition, and results of operations.

37. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE in a timely manner, or at all.

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

38. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.

Prior to this Issue, there has been no public market for our Equity Shares. The company and the Lead Manager have appointed M/s. K.M. Jain Stock Brokers Pvt. Ltd. as Designated Market Maker for the equity shares of our company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry and the perception in the market about investments in the Financial /Capital Market industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers please refer to the chapter titled "General Information – Details of the Market Making Arrangement for this Issue" on page 42 of this Draft Prospectus.

39. 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.

Following the Issue, we will be subject to a daily "circuit breaker" imposed by BSE, 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 SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares.



The BSE may not inform us of the percentage limit 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 can 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.

40. Our Company's transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.

Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, Government, through the press note dated January 22, 2010 ("Press Release") and the clarification thereto dated May 4, 2010 (together with the Press Release, the "IFRS Convergence Note"). Pursuant to the IFRS Convergence Note, which have a net worth of ₹ 5,000 million or less, as per the audited balance sheet as at March 31, 2011 or the first balance sheet for accounting periods which ends after that date, are required to convert their opening balance sheet as at April 1, 2014 in compliance with the notified accounting standards to be converged with IFRS. The Company has not yet determined with any degree of certainty what impact the adoption of IFRS will have on its financial reporting.

The Company's financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognised during that period and in the corresponding (restated) period in the comparative Fiscal Year/period.

In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements

Prominent Notes

1. Investors may contact the Lead Manager for complaints, information, clarifications or complaints pertaining to the Issue.
2. Public issue of 23,04,000 Equity Shares of ₹ 10 each of the Company for cash at a price of ₹ 22 per Equity Share aggregating to ₹ 506.88 lakhs. The Issue will constitute 37.75% of the fully diluted post-Issue Equity Share capital of the Company.
3. The net worth of the Company was ₹ 434.94 lakhs as of March 31, 2012, as per the restated financial statements of the Company prepared in accordance with Indian GAAP and restated in accordance with SEBI (ICDR) Regulations. For more information, see the chapter titled "*Financial Statements*" beginning on page 132 of the Draft Prospectus.
4. The average cost of acquisition per Equity Share by our Promoter, Giza Estates Private Limited is ₹ 3.03/-. The average cost of acquisition of Equity Shares held by our Promoters has been calculated by taking the average of the amount paid by them (on FIFO basis) to acquire the Equity Shares, including bonus shares.
5. The book value per Equity Share of ₹ 10 each was ₹ 11.45 as of March 31, 2012, as per the restated financial statements of the Company prepared in accordance with Indian GAAP and restated in accordance with SEBI (ICDR) Regulations. For more information, see the chapter titled "*Financial Statements*" beginning on page 132 of the Draft Prospectus.
6. Except as disclosed in the chapters "*Objects of the Issue*", "*Our Promoter Group*" and "*Our Management*" beginning on pages 59, 130 and 110 of the Draft Prospectus, respectively, none of the Promoters, Directors or Key management personnel have any interest in the Company except to the extent of remuneration and reimbursement of



expenses 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, member, partner or trustee and to the extent of the benefits arising out of such shareholding.

7. For details of the related party transactions, including details of transactions between the Company with its subsidiaries and group companies and the cumulative value of such transactions, please refer “*Related Party Transactions*” on page 130 of the Draft Prospectus.
8. For information on changes in the Company’s name and changes in objects clause of the Memorandum of Association of the Company, please refer to the chapter titled “*History and Certain Corporate Matters*” beginning on page 106 of the Draft Prospectus.
9. Neither a member of the Promoter Group nor a Director nor any relative of any Director has financed the purchase by any other person of any securities of the Company during the six months immediately preceding the date of the Draft Prospectus.
10. Other than as stated in the chapter titled “*Capital Structure*” on page 44 of the Draft Prospectus, the Company has not issued any Equity Shares for consideration other than cash.
11. The Issue is being made in terms of regulation 106M (1) of SEBI (ICDR) Regulations, 2009, as amended. This being a fixed price issue, the allocation in the net offer to the public category shall be made as per sub clause (4) of Regulation 43 of the SEBI (ICDR) Regulations, 2009, as amended. For further details, please refer to the chapter titled “*Issue Structure*” beginning on page 183 of the Draft Prospectus.
12. Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, see the paragraph titled “*Issue Procedure – Basis of Allotment*” beginning on page 190 of the Draft Prospectus.
13. Trading in Equity Shares for all investors shall be in dematerialized form only.

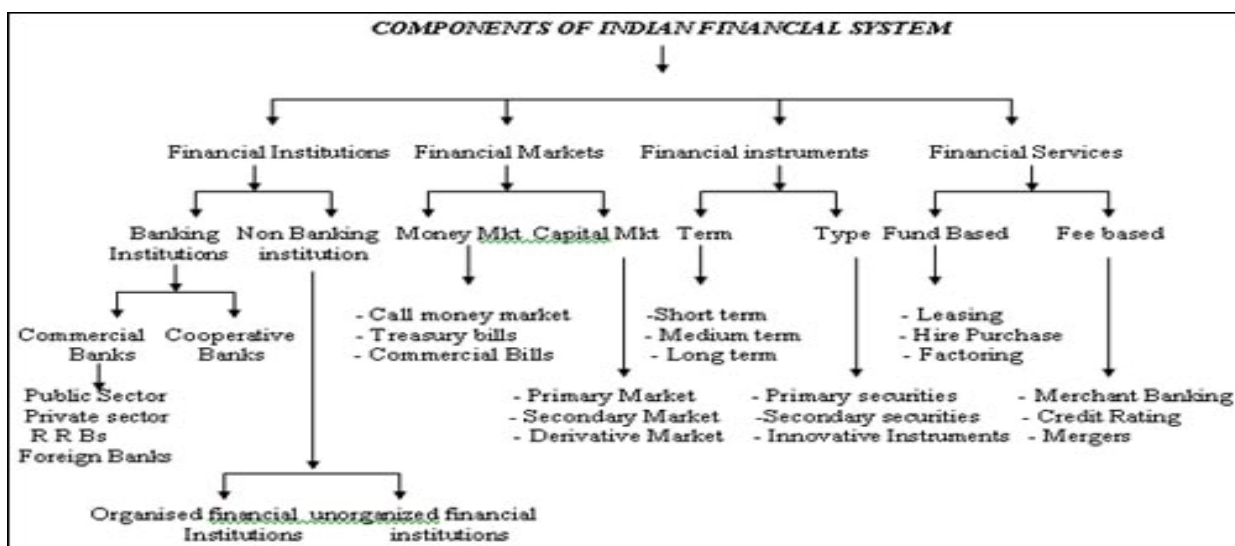


SECTION III: INTRODUCTION

SUMMARY OF OUR INDUSTRY

Indian Financial Sector

The financial sector in India is characterized by liberal and progressive policies, vibrant equity and debt markets and prudent banking norms. India has a financial system that is regulated by independent regulators in the sectors of banking, insurance, capital markets etc. The business areas covered under the Indian Financial Sector is displayed in the chart below:



Capital Market

Indian capital market offers the following functions: *Investment Advisory; Equities and Derivatives; PMS; Commodities; Private Equity; Currency; Fixed Deposit; Depository Services; Research; Insurance and Mutual Fund; IPO*. Capital market comprises of two segments- primary market (new issues, offer for sale) and secondary market (trading of stocks).

Primary Market –

During the year 2010-11, the resources raised through Public Issues, Rights Issues, QIP and Preferential Allotments and Non-Convertible Debentures on NSE are summarized in the table below:

Particulars	No. of Issues	Amount	Amount
		(₹ cr.)	(US \$ mn.)
Equity Public Issues			
IPOs	51	33,390.93	7,478.37
FPOs	4	13,043.88	2,921.36
IDR issue	1	2,486.34	556.85
Rights Issues	18	8,414.06	1,884.45
QIP	48	23,020.64	5,155.80
Preferential Allotment	279	29,042.05	6,504.38
Non-Convertible Debentures			
Public Issue	7	8,881.53	1,989.14
Total	408	118,279.43	26,490.35

Source: NSE Factbook 2011



Secondary Market –

As on March 31, 2011 the number of companies listed at NSE is 1574. The trading volumes on NSE have been witnessing phenomenal growth over the past decade. The trading volume, which peaked 2007-08, fell substantially in 2008-09. However, the total trading volumes on the exchange saw a turnaround in the subsequent years and the trading volume doubled in the year 2010-11 as compared to 2008-09. This is evident in the table below:

(₹ in crores)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Market Capitalisation	48,58,122	28,96,194	60,09,173	67,02,616	60,96,518
Gross Turnover					
Cash	35,51,038	27,52,023	41,38,024	35,77,412	28,10,892
Derivatives	1,30,90,478	1,10,10,482	1,76,63,665	2,92,48,221	3,13,49,732

Source: NSE

As on March 31, 2012 the number of scrips listed at BSE are 7910. The BSE Sensex rose from 9,709 at end-March 2009 to 16,811 on October 23, 2009, showing an increase of 73.1% during 2009-10. Significantly, a persistent inflow of overseas money also helped the BSE benchmark Sensex to regain 18,000-level in July 2010, after struggling to scale the same for 30 long months. The table below shows the growth in volume traded in BSE:

(₹ in crores)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Market Capitalisation	51,38,014	30,86,076	60,79,892	68,39,084	62,09,535
Gross Turnover	1,57,87,855	1,00,074	13,78,809	11,03,466	6,67,022

Source: BSE

Wholesale Debt Market Segment (WDM) –

As at end March 31, 2011, 4,479 securities with issued capital of ₹ 36,31,587 crore (US \$ 8,13,345 million) The growth of securities available for trading on the WDM segment is presented in table below:

Securities	2010			2011		
	Number	Amount	Amount	Number	Amount	Amount
		(₹ cr.)	(US \$ mn.)		(₹ cr.)	(US \$ mn.)
Government Securities	1,461	2,472,978	547,846	1,508	2,840,182	636,099
T-Bills	54	137,500	30,461	54	140,418	31,449
PSU Bonds	795	161,904	35,867	852	191,542	42,899
Institutional Bonds	299	77,568	17,184	361	103,973	23,286
Bank Bonds	518	164,385	36,417	518	182,616	40,900
Corporate Bonds	992	133,428	29,559	1,166	169,337	37,925
Others	21	3,117	690	20	3,518	788
Total	4,140	3,150,880	698,024	4,479	3,631,587	813,345

(Source: NSE Factbook 2011)

Equity Broking



At the end of March 2011, a total number of 387 members were permitted to allow investor's web based access to NSE's trading system. The members of the exchange in turn had registered 56,40,513 clients for web based access as on March 31, 2011. During the year 2010-11, 10.70 % of the trading value in the Capital Market segment was routed and executed through the internet. The table below shows the growth of internet trading from the fiscal year 2006-07:

Year	Enabled Members*	Registered Clients*	Internet Trading Volume	Internet Trading Volume	% of total trading volume
			(₹ cr.)	(US \$ mn.)	
2006-07	242	2,279,098	337,524	77,432	17.35
2007-08	305	4,405,134	668,399	167,225	18.82
2008-09	349	5,627,789	692,789	135,974	25.17
2009-10	363	5,143,705	921,380	204,116	11.13
2010-11	387	5,640,513	765,271	171,393	10.70

(Source: NSE Factbook 2010)

Insurance Sector

The Insurance sector in India has been traditionally dominated by state owned Life Insurance Corporation and General Insurance Corporation and its four subsidiaries. Government of India has now allowed FDI in insurance sector up to 26%, which has seen a number of new joint venture private companies entering the life and general insurance sectors, and their market share is rising at a rapid pace. IRDA is the regulatory authority in the insurance sector developed under the provisions of the Insurance Regulatory and Development and Authority Act, 1999.

Mutual Funds

The Indian mutual fund industry is one of the fastest growing sectors in the Indian capital and financial markets. The mutual fund industry in India has seen dramatic improvements in quantity as well as quality of product and service offerings in recent years.

Table below indicates AUM and folios - category wise - aggregate - as on September 30, 2011 -

Types of Schemes	Investor Classification	AUM (₹ Cr)	% to Total	No of Folios	% to Total
Liquid/Money Market	Corporates	96385.44	75	18154	9.1
	Banks/FIs	25633.67	19.95	623	0.31
	FII's	978.31	0.76	16	0.01
	High Networth Individuals*	4683.81	3.64	19403	9.72
	Retail	827.15	0.64	161343	80.86
	Total	128508.36	100	199539	100
Gilt	Corporates	2323.86	76.93	2786	10
	Banks/FIs	15.59	0.52	35	0.13
	FII's	0	0	0	0
	High Networth Individuals*	538.5	17.83	2464	8.84
	Retail	142.64	4.72	22582	81.03
	Total	3020.59	100	27867	100



Debt Oriented	Corporates	175681.54	57.72	140624	3
	Banks/FIs	6998.82	2.3	1452	0.03
	FII's	1095.41	0.36	24	0
	High Networth Individuals*	100772.01	33.11	315785	6.73
	Retail	19821.69	6.51	4232133	90.24
	Total	304369.45	100	4690018	100
Equity Oriented	Corporates	18259.51	10.29	208849	0.54
	Banks/FIs	2228.56	1.26	3550	0.01
	FII's	1048.16	0.59	74	0
	High Networth Individuals*	36526.54	20.58	378732	0.98
	Retail	119447.66	67.29	38104156	98.47
	Total	177510.42	100	38695361	100
Balanced	Corporates	2028.48	12.28	15500	0.56
	Banks/FIs	44.16	0.27	74	0
	FII's	6.51	0.04	3	0
	High Networth Individuals*	6237.82	37.76	52823	1.9
	Retail	8204.45	49.66	2715400	97.54
	Total	16521.39	100	2783800	100
Gold ETF	Corporates	4176.39	51.03	5599	1.31
	Banks/FIs	21.83	0.27	15	0
	FII's	2.98	0.04	4	0
	High Networth Individuals*	1762.54	21.54	10361	2.42
	Retail	2220.66	27.13	412790	96.27
	Total	8184.39	100	428769	100
ETFs(other than Gold)	Corporates	496.5	26.68	14484	11.52
	Banks/FIs	231.95	12.46	21	0.02
	FII's	80.08	4.3	22	0.02
	High Networth Individuals*	692.98	37.24	3115	2.48
	Retail	359.5	19.32	108070	85.97
	Total	1861.01	100	125712	100
Fund of Funds investing Overseas	Corporates	439.17	17.22	2986	1.35
	Banks/FIs	2.87	0.11	9	0
	FII's	0	0	0	0
	High Networth Individuals*	1216.35	47.68	9187	4.15
	Retail	892.5	34.99	209172	94.5
	Total	2550.91	100	221354	100



	Grand Total	642526.52		47172420	
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* Defined as individuals investing ₹ 5 lakhs and above

Non Banking Finance Companies

Non Banking Finance Companies (NBFCs) have played a crucial role in broadening the access to financial services, enhancing competition and in the diversification of the financial sector. NBFCs are increasingly being recognized complementary to the banking system, capable of spreading risks at times of financial distress.

NBFCs are recognized as an integral part of the financial system with an impetus to improve the credibility of the entire sector. Today, NBFCs are present in the competing fields of vehicle financing, hire purchase, lease, personal loans, working capital loans, consumer loans, housing loans, loans against shares, investments, distribution of financial products, etc. The total numbers of NBFCs registered with the RBI in India in March 31, 2011 were more than 12,400.

Debt Markets

The debt market in India consists of mainly two categories—the government securities or the G-Sec markets comprising central government and state government securities, and the corporate bond market. In 2010–2011, the government and the corporate sector collectively mobilized ₹ 7,851,973 million (US \$ 175,856 million) from the primary debt market, a decrease of 3.73 percent compared to the preceding year's numbers. About 74.32 percent of the resources were raised by the government (the central and the state governments), while the balance was mobilized by the corporate sector through public and private placement issues. The turnover in the secondary debt market in 2010–2011 aggregated ₹ 72,274,164 million (US \$ 1,618,682 million), 14.82 percent lower than that in the previous fiscal year.

Issuer/Securities	Amount raised from Primary Market		Turnover in Securities Market	
	(₹ Mn.)		(₹ Mn.)	
	2009-10	2010-11	2009-10	2010-11
Government	62,36,190	58,35,210	8,43,37,567	7,06,82,541*
Corporate/Non Government	19,19,902	20,16,763	14,42,484	15,91,623
Total	81,56,092	78,51,973	85,78,0050	7,22,74,164

* includes NDS-OM turnover

Source: NSE- ISMR (Indian Securities Market – A Review) - Volume XIV 2011

Investment Banking

With the strong growth in the economy, Indian companies have grown profits rapidly and have increased the scale of their operations. At the same time, their requirements for capital have increased as has their demand for increasingly sophisticated methods of funding, need for strategic advisory services related to mergers, acquisitions and restructurings, and need for risk management solutions.

Indian companies have been increasingly raising funds from both domestic and international equity and equity linked and international debt capital markets. In addition, the pace of private equity activity has accelerated over the past few years. As private equity investing in India has gained momentum, the size and nature of investments has also evolved, increasingly moving from smaller start-up and early stage funding to later stage growth capital investments. There has also been a significant increase in merger and acquisition (“M&A”) activity by Indian companies in recent years.

The Indian financial services industry has experienced significant growth in the last few years. The has been considerable broadening and deepening of the Indian financial markets due to various financial market reforms



undertaken by the regulators, the introduction of innovative financial instruments in recent years and the entry of sophisticated domestic and international players.

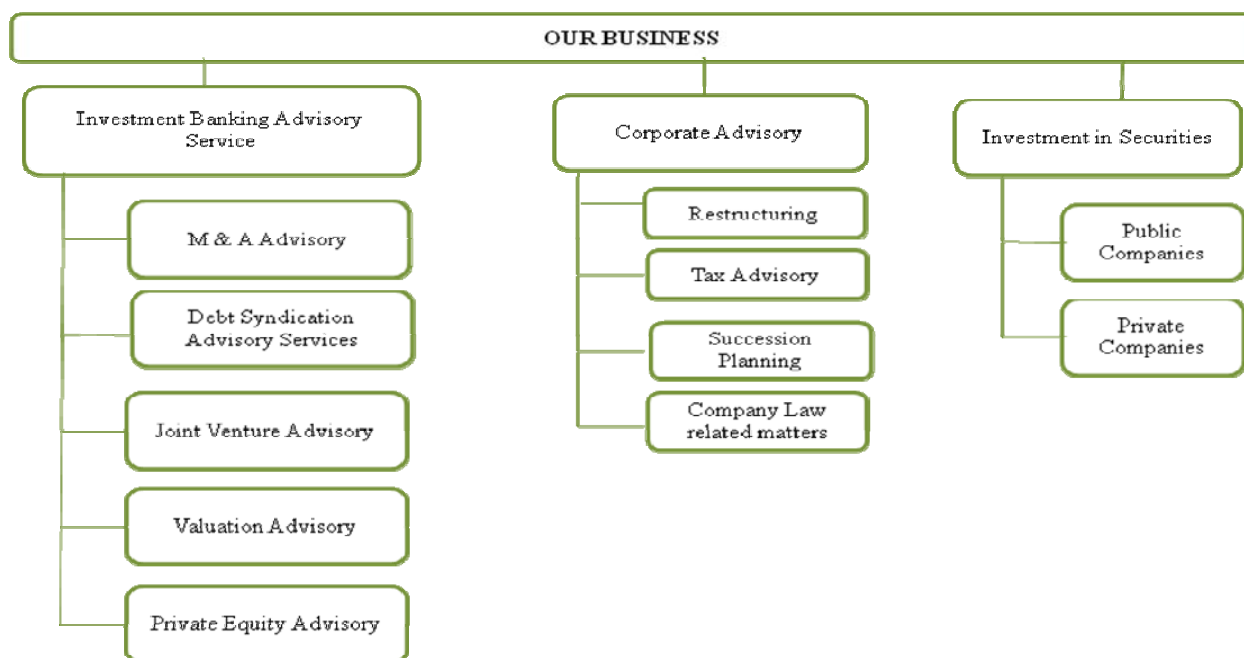
Strong economic growth, favourable demographics, increased geographic penetration, growth of small and medium enterprises and the increasing needs for capital among Indian corporations are expected to continue to drive India's financial services industry.



SUMMARY OF OUR BUSINESS

Our Company is engaged in the business of providing diversified financial services with a primary focus in assisting small and medium enterprises (SMEs) in corporate and non-corporate sector in their financial planning, corporate restructuring and fund syndication requirements. We are also engaged in the business of investing in shares and other securities by leveraging our disciplined investment approach developed by our in-house experienced senior management team. We have our registered office in Mumbai, from where we carry out the businesses of investment banking advisory, corporate advisory and investing in shares / debentures / bonds of public / private companies.

The various business segments we operate in and services offering under each head can be classified as follows:



Our understanding of the difficulties of SMEs in raising adequate funds at competitive costs or of complying with the stringent and dynamic regulatory regimes and other corporate structure related problems has helped us to focus on customized solutions for our clients and hence helped create a long lasting mutually beneficial working relationship with them. We have strong relationships with corporates as well as all major public sector banks, private sector banks, financial institutions and private equity funds. We have also focused on syndicating private equity for small and mid-sized corporates.

Our Competitive Strengths

1. Strong Management Team backed by Experienced Promoters:

We have a strong management team comprising of Chartered Accountants, Company Secretary, and Management Graduates who have together between them several years of experience in capital markets and financial services industry. Our Managing Director Mr. Gauri Shankar Bajaj has almost 17 years of experience in capital markets. We believe that their strong technical experience and industry networks will help us in achieving our key business strategies. Our existing business presence and existing elite clientele in advisory and consultancy business will further increase our opportunities in expanding our Company's investment portfolio.

For further details regarding the experience and qualifications of our management and promoters please refer to the sections titled "Our Management", "Our Promoters", and "Our Promoter Group" beginning on pages 110, 125 and 130 of this Draft Prospectus respectively.



2. Diversified and balanced mix of services

We offer a wide range of financial services to our clients. Our services offerings include investment banking advisory, corporate advisory and investments/trading in listed / unlisted securities and financial products. For a company looking to raise funds, we can syndicate various types of financing like equity, project finance, term loan, working capital finance, etc. For a company looking to grow inorganically, we provide advisory services for mergers and acquisitions, joint ventures, etc. in addition to these corporate advisory services, we provide advisory on tax and company law related advisory, restructuring advisory, etc. We continue to explore opportunities to build new businesses and widen our product portfolio to include products and services that are related to our current offerings, where we can leverage our existing expertise. We believe that our presence in diverse lines of business across asset classes and industry enables us to reduce risks arising from service and client concentration. We believe in maintaining a balanced mix between our various services.

3. Research Backed Decision Making

Our research based approach is focused on identification of growth stage investment opportunities and assessing the fair value of such businesses. We leverage our understanding of the industry in assessing value of the company. We employ a top-down analysis, which begins with an analysis of the overall market and ends with the individual company. We use various valuation methodologies like discounted cash flow and comparative valuation techniques to evaluate fair value of businesses. We target to achieve comfort from methods of traditional referencing and client leadership team assessment. Further, our investment banking and advisory businesses will help us better recognize investment opportunities if any within our clients and their peer companies and we believe this unique synergy will help make better investment decisions.

4. Continuous Business Possibilities due to our Current Clientele

Our Company has till date provided advisory and consultancy services to various companies including but not limited to well known groups such as All Services Global, Haldiram Group, Mukund Group and others. Going forward, our current relationship and clientele with existing clients will help generate future revenue as well as open up possibilities for new businesses through cross references. We hence, believe that these relationships provide us with an edge in sourcing and executing more deals for a growing clientele.

5. One-stop shop for SMEs

We focus on SMEs and serve these companies throughout the course of their growth. These SMEs gradually evolve into larger enterprises thereby enabling us offer them a larger bouquet of services including complex structured products viz. mergers and acquisitions (including cross border), international fund raising and off market capital raising. We provide an array of services to our clients. We have a team of professionals who cater to our clients by providing financial advisory services. This helps us in providing a one stop shop solution to our clients and also reinforces our commitment towards them.

6. Strong relationships with investors / lenders

We have raised funds for our clients across a broad range of businesses and industry segments. We have been associated with lenders and investors for a long term. We believe that our strong relationships with investors / lenders will enable us to continue to grow our business. We showcase our clients to these lenders / investors, based on their investment philosophy and their return and risk profiles which has enabled us to generate repeat business.



Business Strategies

1. Focus on Small and Medium Enterprises (SME)

We mainly cater to the financial needs of the SME clients. We believe that an SME needs much more attention and professional support than large enterprises. Our focus is to partner in the growth of a company from an SME to a large corporate. We believe in holding hand of an SME, whereby we address all its financial and strategic requirements of growing business. We believe to build a strong relationship with an SME. Once a relationship is established, it leads to repetitive business in various forms.

2. Continue to maintain a diversified service portfolio to cater to most of the customer needs and demands

We continuously attempt to introduce new services that provide clients access to a range of financial services to suit their varied needs. We intend to continue the strategy of maintaining a diversified service portfolio to preserve our uniqueness and competitive advantage. Maintaining a diversified range of services not only allows us to mitigate the risk associated with over dependence on a few sources of revenues but it also allows us to cross sell the services to the customers.

3. Maintain and expand long term Relationship with Clients

The Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time. The Company believes that a long term client relationship with large clients fetches better dividends. The Company intends to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary to the Company's business and are likely to enhance its opportunities. We seek to build on existing relationships and also focus on increasing our client base. We plan to expand our business primarily by increasing the number of client relationships, as we believe that increased client relationships will add stability to our business. We constantly remain in touch with clients and tap new clients through various means including and not limited to database mining, referrals from clients, lenders, practicing Chartered Accountants, etc. We also seek to offer our clients, diversified products and services to increase our per capita revenues by selling different products to the same client.

4. Further strengthen the Brand Name

We intend to further increase the brand recognition through brand building efforts, communication and various promotional initiatives, like participation in industry events, public relations and investor relations efforts. The same would enhance the visibility of our brand name and enhance our position and image in the industry. This is also in line with the fact that once we are a listed company on the BSE SME Exchange our visibility will further improve.

5. Attracting and retaining the quality professionals

Our people are our most important asset, and it is their reputation, talent, integrity and dedication that results in our success. We have been successful in attracting and retaining key professionals and intend to continue to look for talent to further enhance and grow our business. We offer a highly entrepreneurial culture with a strong, team-based approach that we believe is motivating to our employees. Additionally, we believe that becoming a publicly traded company will further enable us to offer attractive stock-based incentives to talented professionals, which will aid our recruitment effort and our retention of key employees.



SUMMARY OF OUR FINANCIALS

The following summary of financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009 and restated as described in the Auditor's Report in the section titled "Financial Statements". You should read this financial data in conjunction with our financial statements for Financial Year 2008, 2009, 2010, 2011 and 2012 including the notes thereto and the reports thereon, which appears under the chapter titled "Financial Statements" and chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 132 and 153 of the Draft Prospectus.

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Amount in ₹)

Sr. No.	Particulars	AS AT MARCH 31,				
		2008	2009	2010	2011	2012
A	Fixed Assets					
	Gross Block	-	-	-	-	329,525
	Less: Depreciation	-	-	-	-	48,391
	Net Block	-	-	-	-	281,134
B	Investment	7,050,000	8,250,000	5,447,200	51,372,006	36,364,182
C	Current Assets, Loans & Advances					
	Inventories	-	-	-	80,917,529	3,769,621
	Sundry Debtors	-	-	-	-	2,282,367
	Cash and Bank Balances	56,028	36,293	2,588,109	744,325	961,401
	Loans & Advances	359,395	245,936	11,757,993	18,994,136	717,600
	Total	415,423	282,229	14,346,102	100,655,989	7,730,989
D	Liabilities & Provisions					
	Deferred Tax Liability	-	-	-	-	15,594
	Current Liabilities & Provisions	9,794	16,458	36,861	113,379,306	867,035
	Total	9,794	16,458	36,861	113,379,306	882,629
E	Net Worth (A+B+C-D)	7,455,629	8,515,771	19,756,441	38,648,688	43,493,676
F	Represented by					
	Share Capital	2,790,000	3,000,000	4,123,000	37,353,500	37,988,750
	Reserves & Surplus	4,665,629	5,515,771	15,633,441	1,295,188	5,504,925
	Net Worth	7,455,629	8,515,771	19,756,441	38,648,688	43,493,676



STATEMENT OF PROFIT AND LOSS AS RESTATED

(Amount in ₹)

Sr. No.	Particulars	FOR THE YEAR ENDED MARCH 31,				
		2008	2009	2010	2011	2012
A	Income					
	Income from Operations	45,000	120,000	363,905	1,348,895	6,692,976
	Other Income	44	-	-	-	350,000
	Total Income	45,044	120,000	363,905	1,348,895	7,042,976
B	Expenditure					
	Personnel Expenses	-	75,500	248,000	521,200	3,093,176
	Operating & Administrative Expenses	29,686	28,225	41,054	321,081	941,294
	Total Expenditure	29,686	103,725	289,054	842,281	4,034,470
C	Net Profit before Interest, Depreciation, Tax and Extraordinary Items (A-B)	15,358	16,275	74,851	506,614	3,008,506
	Financial Expenses	1,463	150	1,523	2,279	16,198
	Net Profit/ (Loss) Before Depreciation & Tax	13,895	16,125	73,328	504,335	2,992,308
	Depreciation	-	-	-	-	48,391
D	Net Profit before Tax and Extraordinary Items	13,895	16,125	73,328	504,335	2,943,917
	<u>Provision for Taxation</u>					
	- Current Tax	(4,294)	(4,983)	(22,659)	(142,088)	(723,086)
	- Deferred Tax Expense	-	-	-	-	(15,594)
	- Fringe Benefit Tax	-	(1,000)	-	-	-
	Net Profit/ (Loss) available for Appropriations	9,601	10,143	50,670	362,247	2,205,237



STATEMENT OF CASH FLOW AS RESATED

(Amount in ₹)

Particulars	AS AT MARCH 31,				
	2008	2009	2010	2011	2012
A: CASH FLOW FROM OPERATING ACTIVITIES					
Profit/ (Loss) before tax	13,895	16,125	73,328	504,335	2,943,917
<i>Adjustments for:</i>					
Depreciation	-	-	-	-	48,391
Preliminary Expenses written off	4,500	-	-	-	-
Prior Period Expenses	(13,746)	-	-	-	-
Profit on Sale of Investments	-	-	-	-	(125,999)
Operating profit before working capital changes	4,649	16,125	73,328	504,335	2,866,309
<i>Movements in working capital :</i>					
(Increase)/Decrease in Sundry Debtors	38,000	-	-	-	(2,282,367)
(Increase)/Decrease in Stock	-	-	-	(80,917,529)	77,147,908
(Increase)/Decrease in Other Receivables	(30,600)	113,459	(11,512,057)	(7,236,143)	18,276,536
Increase/(Decrease) in Trade Payables and Other Liabilities	(5,787)	6,664	20,404	27,312,960	(26,499,679)
<i>Cash generated from operations</i>	6,262	136,248	(11,418,326)	(60,336,377)	69,508,706
Income tax paid during the year	(819)	(5,983)	(22,659)	(112,603)	(735,679)
Net cash from operating activities	5,443	130,265	(11,440,984)	(60,448,980)	68,773,027
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed assets (including capital advances)	-	-	-	-	(329,525)
Purchase of Investments	-	(1,200,000)	(4,247,200)	(33,872,006)	(5,649,250)
Sale of Investment	-	-	7,050,000	6,747,200	20,783,074
Net cash from investing activities	-	(1,200,000)	2,802,800	(27,124,805)	14,804,299
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of share capital	-	1,050,000	11,230,000	-	3,176,250
Share Application Money Received / (Refunded)	-	-	-	86,000,000	(86,000,000)
Miscellaneous Expenditure / Share Issue Expenses	-	-	(40,000)	(270,000)	(536,500)
Net cash used in financing activities	-	1,050,000	11,190,000	85,730,000	(83,360,250)



Particulars	AS AT MARCH 31,				
	2008	2009	2010	2011	2012
Net increase in cash and cash equivalents (A + B + C)	5,443	(19,735)	2,551,816	(1,843,784)	217,076
Cash and cash equivalents at the beginning of the year	50,585	56,028	36,293	2,588,109	744,325
Cash and cash equivalents at the end of the year*	56,028	36,293	2,588,109	744,325	961,401
	5,443	(19,735)	2,551,816	(1,843,784)	217,076
Cash and cash equivalents at the end of the year*					
Cash on hand and balances with Bank	56,028	36,293	2,588,109	744,325	961,401
Less: Bank overdraft/ Temporary overdrawn Bank Balance as per books	-	-	-	-	-
Less: Fixed/ Margin Money Deposits greater than 3 months	-	-	-	-	-
Cash and cash equivalents	56,028	36,293	2,588,109	744,325	961,401

Notes: The above Cash Flow Statements have been prepared under the "Indirect Method" as set out in Accounting Standard (AS) – 3 on Cash Flow Statements as notified by the Companies (Accounting Standards) Rules, 2006.



BRIEF DETAILS OF THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS

Equity Shares Offered: Present Issue of Equity Shares by our Company	23,04,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 22/- per share aggregating ₹ 506.88 Lakhs
Issue Reserved for the Market Makers	3,42,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 22/- per share aggregating ₹ 75.24 Lakhs
Net Issue to the Public	19,62,000 Equity Shares of ₹10/- each for cash at a price of ₹ 22/- per share aggregating ₹ 431.64 Lakhs
	Of Which
	9,81,000 Equity Shares of ₹10/- each at a premium of ₹12/- per Equity Share will be available for allocation for Investors of upto ₹ 2.00 Lakhs
	9,81,000 Equity Shares of ₹ 10/- each at a premium of ₹12/- per Equity Share will be available for allocation for Investors of above ₹ 2.00 Lakhs
Equity Shares outstanding prior to the Issue	37,98,875 Equity Shares
Equity Shares outstanding after the Issue	61,02,875 Equity Shares
Objects of the Issue	Please refer to the section titled — “ <i>Objects of the Issue</i> ” beginning on page 59 of the Draft Prospectus.

This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “*Issue Structure*” on page 183 of this Draft Prospectus.



GENERAL INFORMATION

Our Company was incorporated as Sangam Advisors Private Limited under the provisions of the Companies Act, 1956 on June 22, 1999 in Mumbai, Maharashtra. Eventually, our Company got converted from private limited company to a public limited company vide fresh Certificate of Incorporation dated November 18, 2011. For further details see section titled '*History and Certain Corporate Matters*' beginning on page 106 of the Draft Prospectus.

Registered Office of Our Company

Sangam Advisors Limited

33/34, 3rd Floor, Printing House,
28-D, Police Court Lane,
Behind Old Handloom House,
Fort, Mumbai – 400 001,
Maharashtra, India.

Tel: +91 22 2262 1318

Fax: +91 22 2262 1318

Email: info@sangamadvisors.com

Website: www.sangamadvisors.com

Registration Number: 120470

Corporate Identification Number: U74140MH1995PLC120470

For details relating to changes to our Registered Office, see paragraph titled '*Changes in Registered Office of the Company*' on page 106 of section titled '*History and Certain Corporate Matters*' of the Draft Prospectus.

Registrar of Companies

Registrar of Companies, Mumbai

Everest Building,
100, Marine Drive,
Mumbai - 400 002,
Maharashtra, India.

Board of Directors of our Company

Our Board comprises the following:

Name	Age (Years)	Designation	Directors Identification Number
Mr. Madan Sanghi	65	Chairman, Independent Director	05204402
Mr. Gauri Shankar Bajaj	47	Managing Director	02079820
Mr. Ravindra Kadam	51	Executive Director	01502049
Mr. Anil Patodia	33	Executive Director	05207436
Ms. Sarika Lahoti	26	Non-Executive Director	03476077
Mr. Ashok Kumar Khajanchi	48	Independent Director	01532044

For further details of our Directors, see section titled '*Our Management*' beginning on page 110 of the Draft Prospectus.



Company Secretary and Compliance Officer

Company Secretary

Ms. Supriya Arora

33/34, 3rd Floor, Printing House,
28-D, Police Court Lane,
Behind Old Handloom House,
Fort, Mumbai – 400 001,
Maharashtra, India.

Tel: +91 22 2262 1318

Fax: +91 22 2262 1318

Email: info@sangamadvisors.com

Compliance Officer

Mr. Suraj Gulgulia

33/34, 3rd Floor, Printing House,
28-D, Police Court Lane,
Behind Old Handloom House,
Fort, Mumbai – 400 001,
Maharashtra, India.

Tel: +91 22 2262 1318

Fax: +91 22 2262 1318

Email: info@sangamadvisors.com

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Application Form was submitted by the ASBA Applicant.

For all Issue related queries and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

Lead Manager to the Issue

Aryaman Financial Services Limited

60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg,
Opp. P.J. Tower (BSE Bldg.), Fort,
Mumbai – 400 001, India

Tel: +91 22 2261 8264

Fax: +91 22 2263 0434

Website: www.afsl.co.in

Email: info@afsl.co.in

Contact Person: Ms. Ambreen Khan/ Mr. Deepak Biyani

SEBI Registration No.: INM000011344



Registrar to the Issue

Purva Share Registry (India) Private Limited

9, Shiv Shakti Industrial Estate,
J.R. Boricha Marg, Off N.M. Joshi Marg,
Near Lodha Excelus, Lower Parel (E),
Mumbai – 400 011. India

Tel: +91 22 2301 8261 / 2301 6761

Fax: +91 22 2301 2517

Website: www.busi-comp.com

Email: busicomp@vsnl.com

Contact Person: Mr. Rajesh Shah

SEBI Registration No.: INR000001112.

Legal Advisor to the Issue

Hemant Sethi & Co.

302, Satnam Building, 3A,
Sion (W), Mumbai – 400022,
Maharashtra, India.

Tel: +91 22 2407 8557

Fax: +91 22 2407 9230

Email: hemant@hemantsethi.com

Website: www.hemantsethi.com

Contact Person: Mr. Hemant Sethi

Statutory Auditor to the Company

M/s. Mahesh Bairat & Associates

Chartered Accountants

3, Sudama Tower, 1st Floor,
Behind Kasturi Plaza,
Manpada Road, Dombivli East,
Thane 421 201

Tel: +91 251 2480642

E-Mail: maheshbairat@gmail.com

Firm Registration No: 112722W

Contact Person: Mr. Mahesh Bairat

Independent Auditor having a valid Peer Review certificate

M/s. R.T. Jain & Co.,

Chartered Accountants,

Lotus Bldg., 2nd Floor, 59,
Mohamedali Road,
Mumbai – 400 003.

Tel: +91 22 2346 5218 / 2346 4955

Fax: + 91 22 2345 2531 / 2346 4955

E-Mail: rtjain_ca@yahoo.co.in

Firm Registration No: 103961W

Contact Person: Mr. Bankimchandra R. Jain.

M/s. R. T. Jain & Co. holds a peer reviewed certificate dated September 20, 2011 issued by the Institute of Chartered Accountants of India.



Bankers to our Company

UCO Bank

Mafatlal Centre, 1st Floor,
Nariman Point, Mumbai – 400 021,
Maharashtra, India.
Tel: +91 22 4054 9117 / 18
Fax: +91 22 4054 9129
E-Mail: narima@ucobank.com
Website: www.ucobank.com
Contact Person: Mr. P. Kulanthaivel

Punjab National Bank

PNB House, Fort,
Mumbai – 400 001,
Maharashtra, India.
Tel.: +91 22 2262 7518 / 22661504
Fax: +91 22 2262 7517
E-mail: bo0062@pnb.co.in
Website: www.pnbindia.in
Contact Person: Mr. R. Sudhakaran

Bankers to the Issue/ Escrow Collection Bank(s)

HDFC Bank Limited

FIG – OPS Department – Lodha,
I Think Techno Campus, O – 3 Level,
Next to Kanjurmarg Railway Station,
Kanjurmarg East, Mumbai – 400 042,
Maharashtra, India.
Tel.: +91 22 30752928
Fax.: +91 22 25799801
E-mail: deepak.rane@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Deepak Rane
SEBI Registration Number: INBI00000063

Axis Bank

Universal Insurance Bldg.,
Sir P. M Road, Fort,
Mumbai – 400 001,
Maharashtra, India.
Tel.: +91 22 66107353 / 66107265
Fax: +91 22 22835758 / 66107322
E-mail: rajesh.khandelwal@axisbank.com, mahesh1.prabhu@axisbank.com, nachiket.kalwit@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Rajesh Khandelwal, Mr. Mahesh Prabhu, Mr. Nachiket Kalwit
SEBI Registration Number: INBI00000017

Refund Bankers

Axis Bank

Universal Insurance Bldg.,
Sir P. M Road, Fort,



Mumbai – 400 001,
Maharashtra, India.

Tel.: +91 22 6610 7353 / 6610 7265

Fax: +91 22 2283 5758 / 6610 7322

E-mail: rajesh.khandelwal@axisbank.com, mahesh1.prabhu@axisbank.com, nachiket.kalwit@axisbank.com

Website: www.axisbank.com

Contact Person: Mr. Rajesh Khandelwal, Mr. Mahesh Prabhu, Mr. Nachiket Kalwit

SEBI Registration Number: INBI00000017

Self Certified Syndicate Banks

A list of banks that have been notified by SEBI to act as SCSBs for the ASBA Process is provided on www.sebi.gov.in/pmd/scsb.pdf. For details on Designated Branches of SCSBs collecting the ASBA Bid cum Application Form, please refer to the above mentioned SEBI website.

Statement of Inter se Allocation of Responsibilities for the Issue

Since Aryaman Financial Services Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager's is not required.

Credit Rating

This being an issue of Equity shares, credit rating is not required.

IPO Grading

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

Monitoring Agency

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹ 500.00 Crores.

However, as per the Clause 52 of the SME Listing Agreement to be entered into with the Stock Exchange upon listing of the equity shares and the Corporate Governance Requirements, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Expert

Except for the "Statement of Possible Tax Benefits" report dated May 3, 2012 from the Statutory Auditor; our Company has not obtained any expert opinions.

Debenture Trustee

Since this is not a debenture issue, appointment of debenture trustee is not required.

Appraising Entity

The present issue is not being appraised by any appraising agency.



Underwriting

The company and the Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten, with more than 15% of the Issue being underwritten by the Lead Manager – Aryaman Financial Services Limited.

Pursuant to the terms of the Underwriting Agreement dated May 12, 2012, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of Shares underwritten	Amount Underwritten (₹ in lakhs)	% of the Total Issue Size Underwritten
Aryaman Financial Services Limited 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001, India Tel: +91 22 2261 8264 Fax: +91 22 2263 0434 Website: www.afsl.co.in Email: info@afsl.co.in Contact Person: Ms. Ambreen Khan/ Mr. Deepak Biyani SEBI Registration No.: INM000011344	19,62,000	431.64	85.16
K. M. Jain Stock Brokers Private Limited 631, P.J. Towers, Bombay Stock Exchange, Dalal Street, Fort, Mumbai - 400 001, Maharashtra Tel: +91 22 3028 2276 Fax: +91 22 2272 2189 E-mail: kmjpl@mtnl.net.in Contact Person: Mr. Anand Jain SEBI Registration No.: INB010990232 (BSE) Market Maker Registration No. (SME Segment of BSE): SMEMM0035211052012	3,42,000	75.24	14.84

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

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager Aryaman Financial Services Limited hereby have entered into an agreement dated May 12, 2012 with a Market Maker registered with the SME Platform of BSE in order to fulfill the obligations of Market Making.

Name of Market Maker: K. M. Jain Stock Brokers Private Limited

Registered Office: 631, P.J. Towers, Bombay Stock Exchange, Dalal Street, Fort, Mumbai - 400 001, Maharashtra.

Tel: +91 22 3028 2276

Fax: +91 22 2272 2189

E-mail: kmjpl@mtnl.net.in

Contact Person: Mr. Anand Jain

SEBI Registration No.: INB010990232 (BSE)

Market Maker Registration No. (SME Segment of BSE): SMEMM0035211052012



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

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

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 2) The minimum depth of the quote shall be ₹ 1,00,000/- . However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 4) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 5) The Market Maker(s) shall have the right to terminate said arrangement by giving a three months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

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

The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.



CAPITAL STRUCTURE

The share capital of our Company, as at the date of the Draft Prospectus, before and after the Issue, is set forth below:

<i>(₹ in lakhs, except share data)</i>			
	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A)	AUTHORISED SHARE CAPITAL		
	70,00,000 Equity Shares of ₹ 10 each.	700.00	-
B)	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE		
	37,98,875 Equity Shares of Rs 10 each ⁽¹⁾	379.89	-
C)	PRESENT ISSUE IN TERMS OF THE DRAFT PROSPECTUS⁽²⁾		
	Fresh Issue of 23,04,000 Equity Shares of ₹ 10 each at a premium of ₹ 12 per share	230.04	506.88
	Which comprises		
(i)	3,42,000 Equity Shares of ₹ 10/- each at a premium of ₹ 12/- per Equity Share reserved as Market Maker Portion	34.20	75.24
(ii)	Net Issue to Public of 19,62,000 Equity Shares of ₹10/- each at a premium of ₹ 12/- per Equity Share to the Public	196.20	431.64
	Of Which		
	9,81,000 Equity Shares of ₹ 10/- each at a premium of ₹ 12/- per Equity Share will be available for allocation for Investors of upto ₹ 2.00 Lakhs	98.10	215.82
	9,81,000 Equity Shares of ₹ 10/- each at a premium of ₹ 12/- per Equity Share will be available for allocation for Investors of above ₹ 2.00 Lakhs	98.10	215.82
D)	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE		
	61,02,875 Equity Shares of ₹ 10 each	610.29	-
E)	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		27.21
	After the Issue		303.69

⁽¹⁾All Equity shares issued are fully paid-up.

⁽²⁾The Issue has been authorised pursuant to resolution of the Board of Directors dated October 21, 2011 and approved by our shareholders vide resolution passed at the Extraordinary General Meeting held on November 15, 2011, under Section 81 (1A) of the Companies Act, 1956.

Classes of Shares

The Company has only one class of share capital i.e. Equity Shares of ₹ 10/- each only.



Notes to the Capital Structure

1. Share Capital History

(a) Changes in Authorised Share Capital of the Company

Date of Meeting	Nature of Meeting	Number of Equity Shares	Face value (₹)	Cumulative number of equity shares	Cumulative Authorised Share Capital (₹)
Incorporation		10,000	10	10,000	1,00,000
March 7, 2000	EGM	1,90,000	10	2,00,000	20,00,000
March 16, 2004	EGM	1,00,000	10	3,00,000	30,00,000
February 23, 2010	EGM	2,00,000	10	5,00,000	50,00,000
March 25, 2011	EGM	35,00,000	10	40,00,000	4,00,00,000
November 15, 2011	EGM	30,00,000	10	70,00,000	7,00,00,000

(b) Equity Share Capital History of our Company

Our Company has made allotments of Equity Shares from time to time. Our Company has not made allotment of preference shares. The following is the Equity share capital build-up of our Company:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)	Cumulative share premium (₹) *
Incorporation	300	10	10	Cash	Initial subscription ⁽¹⁾	300	3,000	Nil
January 18, 2000	9,700	10	10	Cash	Allotment ⁽²⁾	10,000	1,00,000	Nil
March 31, 2000	1,57,770	10	10	Cash	Allotment ⁽³⁾	1,67,770	16,77,700	Nil
March 31, 2001	17,855	10	80	Cash	Allotment ⁽⁴⁾	1,85,625	18,56,250	12,49,850
March 26, 2002	10,150	10	50	Cash	Allotment ⁽⁵⁾	1,95,775	19,57,750	16,55,850
March 30, 2004	29,100	10	50	Cash	Allotment ⁽⁶⁾	2,24,875	22,48,750	28,19,850
March 22, 2005	35,125	10	50	Cash	Allotment ⁽⁷⁾	2,60,000	26,00,000	42,24,850
March 30, 2007	19,000	10	25	Cash	Allotment ⁽⁸⁾	2,79,000	27,90,000	45,09,850
March 10, 2009	21,000	10	50	Cash	Allotment ⁽⁹⁾	3,00,000	30,00,000	53,49,850
March 31, 2010	1,12,300	10	100	Cash	Allotment ⁽¹⁰⁾	4,12,300	41,23,000	1,54,56,850
March 30, 2011	14,43,050	10	-	Nil	Bonus Issue of shares in the ratio	18,55,350	1,85,53,500	10,26,350



Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)	Cumulative share premium (₹) *
					3.5:1 ⁽¹¹⁾			
March 31, 2011	18,80,000	10	10	Kind	Swap of shares ⁽¹²⁾	37,35,350	3,73,53,500	10,26,350
November 12, 2011	63,525	10	50	Cash	Allotment ⁽¹³⁾	37,98,875	3,79,88,750	35,67,350

* Not adjusted for Share Issue Expenses

1. Initial Subscriber's to Memorandum of Association Mr. Bhanwarlal Toshniwal, Ms. Deepa Toshniwal and Ms. Neelam Toshniwal were each allotted 100 Equity Shares of ₹10/- fully paid up.
2. The Company allotted 9,700 Equity Shares of ₹10/- each to Ms. Neelam Toshniwal.
3. The Company allotted 1,57,770 Equity Shares of ₹ 10/- each comprising of 4,500 shares to Ms. Neelam Toshniwal, 13,000 shares to Ms. Alka J. Shah, 10,000 shares to Ms. Bala Devi Toshniwal, 8,000 shares to Bharat Bohra (HUF), 13,485 shares to Mr. Khetpal Rathi, 19,000 shares to Mr. Chandra Prakash Toshniwal, 10,900 shares to Sunil Joshi & Sons (HUF), 3,500 shares to Mr. Santosh Kumar Singh, 9,100 shares to Mr. Hari Ram Bishnoi, 9,400 shares to Mr. Jagdish Prasad Bagri, 8,000 shares to Mr. Mahendra Parikh (HUF), 4,000 shares to Ms. Mali Devi Toshniwal, 13,300 shares to Mr. Meghraj Pancharia, 18,285 shares to Mr. Parmeshwar Lal Rathi, 4,800 shares to Mr. Ram Swaroop Bisnoi, 8,500 shares to Mr. Rajeev Sarada.
4. The Company allotted 17,855 Equity Shares of ₹ 10/- each comprising of 3,630 shares to Ms. Neelam Toshniwal, 3,250 shares to Ms. Savitri Toshniwal, 4,850 shares to Ms. Sudha Yerbagkar, 625 shares to Mr. Om Prakash Lahoti, 2,700 shares to Mr. Gauri Shankar Toshniwal, 300 shares to Mr. Nand Kishor Toshniwal, 2,500 shares to Mr. Bajrang Lal Chimpa.
5. The Company allotted 10,150 Equity Shares of ₹ 10/- each comprising of 3,600 shares to Mr. Bhagwandas Vyas, 500 shares to Mr. Kamal Kishor Bagri, 1,550 shares to Subh Karan Gulgulia & Sons (HUF), 2,000 shares to Sunder Lal Taparia, 2,500 shares to G. S. Toshniwal (HUF).
6. The Company allotted 29,100 Equity Shares of ₹ 10/- each comprising of 4,000 shares to Mr. Ambadas Yerbagkar, 2,500 shares to Mr. Dinesh Choudhary, 5,600 shares to Mr. Jagdish Raman, 1,000 shares to Ms. Komalam S. Kutty, 1,000 shares to Mr. Mohan Gahlot, 1,000 shares to Mr. Sushil Sharma (HUF), 2,000 shares to Mr. Swetang Upadhyay, 10,000 shares to Mr. Vikas Sharma, 2,000 shares to Vishal India Processors Ltd.
7. The Company allotted 35,125 Equity Shares of ₹ 10/- each comprising of 7,125 shares to Mr. Abhishek Toshniwal, 10,000 shares to M/s Intensive Softshare Private Ltd., 10,000 shares to Ms. Manju Taparia, 8,000 shares to Mr. Parmeshwar Lal Rathi.
8. The Company allotted 19,000 Equity Shares of ₹10/- each to Mr. Vijay Raj Purohit.
9. The Company allotted 21,000 Equity Shares of ₹ 10/- each comprising of 17,000 shares to Mr. Prem Sukh Pareek, 4,000 shares to Mr. Vijay Raj Purohit.
10. The Company allotted 1,12,300 Equity Shares of ₹ 10/- each comprising of 8,500 shares to Mr. Abhishek Toshniwal, 7,000 shares to Dream World Concepts Pvt. Ltd., 1,000 shares to Mr. Jayant Sarada, 5,000 shares to M. A. Purohit (HUF), 4,550 shares to Nemichand Toshniwal (HUF), 20,750 shares to M/s Sky High Investment



& Finance Private Limited, 52,000 shares to M/s. Optima Securities Private Limited, 7,500 shares to M/s Sangam Shares Private Ltd., 6,000 shares to Mr. Om Prakash Toshniwal.

11. Shares issued for consideration other than cash being 3.5 shares issued for every 1 share held by the existing Equity shareholders, by utilizing the Securities Premium to the extent of ₹ 1,44,30,500/- of our Company. The Company allotted 14,43,050 Equity Shares of ₹ 10/- each to Giza Estates Private Limited*.
12. The Company Issued 18,80,000 Equity Shares of ₹10/- to Bikaner Wooltex Private Limited (Frontline Synthetics Pvt. Ltd.) vide share swap agreement dated March 31, 2011 for a consideration of 54,500 equity shares of RGF Capital Market Limited.
13. The Company allotted 63,525 Equity Shares of ₹ 10/- each comprising of 3,255 shares to Ms. Manju Lahoti, 7,070 shares to Mr. Devaki Nandan Lahoti, 21,000 shares to Mr. Gauri Shankar Bajaj, 100 shares to Mr. Rinkesh Lahoti, 100 shares to Mr. Kamlesh Vyas, 32,000 shares to Giza Estates Private Ltd.

2. Equity Shares issued for consideration other than cash

The details of Equity Shares issued for consideration other than cash is as follows:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for allotment	Allottees and No. of shares Issued
March 30, 2011	14,43,050	10	Nil	-	Bonus issue of Equity Shares in the ratio of 3.5:1*	Giza Estates Private Limited – 14,43,050
March 31, 2011	18,80,000	10	10	Shares	Share Swap Agreement**	Bikaner Wooltex Private Limited – 18,80,000

Notes:

*Bonus Equity shares have been issued to all our Shareholders on March 30, 2011 by capitalizing Share Premium Account (₹144.31 lakhs). The relevant provisions of the Companies Act have been complied with w.r.t the bonus issues.

Except for what has been stated above our Company has not issued any Equity Share for consideration other than cash. Further, our Company has not allotted any Equity Shares pursuant to any scheme approved under section 391-394 of the Companies Act, 1956

No bonus shares have been issued out of Revaluation Reserves.

**Our Company has entered into a Share Swap Agreement with Bikaner Wooltex Private Limited (Frontline Synthetics Pvt. Ltd.) dated March 31, 2011, through which we acquired the 54,500 shares of RGF Capital Market Ltd. against our 18,80,000 shares.



3. Capital Built up of the Promoter's Contribution and Lock-in details

a) Details of build-up of Promoters' shareholding in our Company

Set forth below are the details of the build-up of our Promoters' shareholding:

Name of the Promoter	Date of allotment/ transfer*	No. of Equity Shares*	Face value (₹)	Issue/ Acquisition Price per Equity Share (₹)**	Pre-Issue %	Post-Issue %	Consideration	Nature of Transaction	Lock-in period
Giza Estates Private Limited	March 1, 2010	10,000 ⁽¹⁾	10	10	0.26%	0.16%	Cash	Acquisition	1 year
	May 24, 2010	3,96,300 ⁽²⁾	10	10	10.43%	6.49%	Cash	Acquisition	1 year
	May 31, 2010	6,000 ⁽³⁾	10	10	0.16%	0.10%	Cash	Acquisition	1 year
	March 30, 2011	2,22,475	10	Nil	5.86%	3.65%	-	Bonus Issue of Equity shares in the ratio 3.5:1	1 year
	March 30, 2011	12,20,575	10	Nil	32.13%	20.00%	-	Bonus Issue of Equity shares in the ratio 3.5:1	3 years
	November 12, 2011	32,000	10	50	0.84%	0.52%	Cash	Further Allotment	1 year
Total		18,87,350			49.68%	30.93%			

18,87,350 equity shares held by Giza Estates Private Limited also includes 100 shares held by an individual shareholder on its behalf. Giza Estates Private Limited is the beneficial owner for these 100 shares. As per our Companies Act, 1956 there should be atleast 2 members in a Private Limited Company. The shares of our Company were acquired by Giza Estates Private Limited making it a wholly owned subsidiary. To comply with the requirements of minimum number of members, Giza Estates Private Limited has nominated "Devaki Nandan Lahoti to hold 100 shares on its behalf. The name of Devaki Nandan Lahoti has been registered in our register of members, however beneficial interest of these 100 shares vests with Giza Estates Private Limited.

Pursuant to 187C of the Companies Act, 1956 we had filed form 22B with the Registrar of Companies, Mumbai, Maharashtra declaring the beneficial ownership of Giza Estates Private Limited in these 100 shares. The beneficial interest of these 100 shares vests with Giza Estates Private Limited.

⁽¹⁾ Transfer of an aggregate number of 10,000 Equity shares from Ms. Manju Taparia

⁽²⁾ Transfer of an aggregate number of 3,96,300 Equity shares held by Samay Telecom Pvt. Ltd. 98,280 shares, Star Fincap Pvt. Ltd. 1,91,720 shares, Mr. Abhishek Toshniwal 8,500 shares, Dream World Concepts Pvt. Ltd. 7,000 shares, Mr. Jayant Sarda 1,000 shares, M. A. Purohit (HUF) 5,000 shares, Nemichand Toshniwal (HUF) 4,550 shares, Sky High investment & Finance Pvt. Ltd. 20,750 shares, Optima Securities Pvt. Ltd. 52,000 shares, Sangam Shares Pvt. Ltd. 7,500 shares

⁽³⁾ Transfer of an aggregate number of 6,000 Equity shares from Mr. Om Prakash Toshniwal

* The Equity Shares were fully paid on the date of their allotment.

** The cost of acquisition excludes the stamp duty paid.



None of the Equity Shares held by our Promoters is pledged or encumbered on the date of filing the Draft Prospectus.

b) Details of Promoters' Contribution locked-in for three years

Pursuant to Regulations 32(1) & 36 (a) of the SEBI ICDR Regulations, an aggregate of 20% of the post-Issue capital held by our Promoters shall be considered as promoters' contribution ("**Promoters' Contribution**") and locked-in for a period of three years from the date of Allotment.

The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before the listing of the Equity Shares.

Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the post-Issue equity share capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of the Draft Prospectus until the commencement of the lock-in period specified above. Details of Promoters' Contribution are as provided below:

Sr. No.	Name of the Promoter	Date of allotment/transfer and made fully paid	Nature of Allotment	Face Value (₹)	Issue/ Acquisition Price (₹)	Consideration	No. of Equity Shares locked-in	% of post issue paid up capital	Lock-in period
1.	Giza Estates Private Limited	March 30, 2011	Bonus	10	-	Bonus shares allotted in the ratio of 3.5 shares for every 1 share held	12,20,575	20.00%	3 years
	Total						12,20,575	20.00%	3 years

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons who are classified and defined as 'Promoters' of our Company as per the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoter's contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, as per Regulation 33 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked in do not and shall not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired, by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' contribution are not subject to any pledge
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum promoters' contribution subject to lock-in.
- Equity shares issued to our promoters on conversion of partnership firms into limited companies.



Details of share capital locked in for one year

- Pursuant to Regulation 37 of the SEBI Regulations, in addition to the lock-in of the Promoters' Contribution, the entire pre-Issue equity share capital of our Company (including those Equity Shares held by our Promoters), shall be locked in for a period of one (1) year from the date of Allotment.
- Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions.
- Pursuant to Regulation 40 of the SEBI Regulations, Equity Shares held by the Promoters, which are locked in as per Regulation 36 of the SEBI Regulations, may be transferred to and amongst the Promoters/ Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- Pursuant to Regulation 40 of the SEBI Regulations, Equity Shares held by shareholders other than the Promoters, which are locked-in as per Regulation 37 of the SEBI Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

c) Details of shareholding of Promoter Group in our Company

Name	Number of Equity Shares	% of paid up Pre-Issue Share Capital	Number of Equity Shares held post Issue	% of Post Issue Capital
Mr. Gauri Shankar Bajaj	21,000	0.55%	21,000	0.34%
Mr. Devaki Nandan Lahoti	7,070	0.19%	7,070	0.12%
Ms. Manju Lahoti	3,255	0.09%	3,255	0.05%
Mr. Rinkesh Lahoti	100	Negligible	100	Negligible
Total Promoter Group	31,525	0.83%	31,525	0.52%

Except as otherwise stated in this section, none of the members of our Promoter Group hold or have held any Equity Shares.

4. In terms of Regulation 40 of the SEBI Regulations, locked in Equity Shares held by the Promoters 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 the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.



5. Our shareholding pattern

The table below presents our equity shareholding pattern as on the date of the Draft Prospectus:

Category code	Category of shareholder	Pre-Issue					Post-Issue					Shares Pledged or otherwise encumbered	
		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		No. of equity shares	As a percentage
					As a percentage of (A+B)	As a percentage of (A+B+C)				As a percentage of (A+B)	As a percentage of (A+B+C)		
(A)	Promoter and Promoter Group												
-1	Indian												
(a)	Individuals/ Hindu Undivided Family	4	31,425	31,425	0.83	0.83	4	31,425	31,425	[•]	[•]	NIL	NIL
(b)	Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c)	Bodies Corporate	1	18,87,350	18,87,350	49.68	49.68	1	18,87,350	18,87,350	[•]	[•]	NIL	NIL
(d)	Financial Institutions/ Banks	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e)	Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Sub-Total (A)(1)	5	19,18,775	19,18,775	50.51	50.51	5	19,18,775	19,18,775	[•]	[•]	NIL	NIL
-2	Foreign												



Category code	Category of shareholder	Pre-Issue					Post-Issue					Shares Pledged or otherwise encumbered		
		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		No. of equity shares	As a percentage	
					As a percentage of (A+B)	As a percentage of (A+B+C)				As a percentage of (A+B)	As a percentage of (A+B+C)			
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b)	Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c)	Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d)	Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Sub-Total (A)(2)	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	5	19,18,775	19,18,775	50.51	50.51	5	19,18,775	19,18,775	[•]	[•]	NIL	NIL	
(B)	Public shareholding													
-1	Institutions													
(a)	Mutual Funds/UTI	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]	[•]	[•]	[•]	



Category code	Category of shareholder	Pre-Issue					Post-Issue					Shares Pledged or otherwise encumbered	
		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		No. of equity shares	As a percentage
					As a percentage of (A+B)	As a percentage of (A+B+C)				As a percentage of (A+B)	As a percentage of (A+B+C)		
(b)	Financial Institutions/ Banks	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]	[•]	[•]	[•]
(c)	Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]	[•]	[•]	[•]
(d)	Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]	[•]	[•]	[•]
(e)	Insurance Companies	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]	[•]	[•]	[•]
(f)	Foreign Institutional Investors	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]	[•]	[•]	[•]
(g)	Foreign Venture Capital Investors	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]	[•]	[•]	[•]
(h)	Nominated investors (as defined in Chapter XB of SEBI (ICDR) Regulations)	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]	[•]	[•]	[•]



Category code	Category of shareholder	Pre-Issue					Post-Issue					Shares Pledged or otherwise encumbered	
		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		No. of equity shares	As a percentage
					As a percentage of (A+B)	As a percentage of (A+B+C)				As a percentage of (A+B)	As a percentage of (A+B+C)		
(i)	Market Makers	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]	[•]	[•]	[•]
(j)	Any Other (specify)	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	Sub-Total (B)(I)	NIL	NIL	NIL	NIL	NIL	/•	/•	/•	/•	/•	/•	/•
-2	Non-institutions												
(a)	Bodies Corporate	1	18,80,000	18,80,000	49.49	49.49	[•]	[•]	[•]	[•]	[•]	[•]	[•]
(b)	Individuals –												
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	1	100	100	Negligible	Negligible	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]	[•]	[•]	[•]



Category code	Category of shareholder	Pre-Issue					Post-Issue					Shares Pledged or otherwise encumbered	
		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		No. of equity shares	As a percentage
					As a percentage of (A+B)	As a percentage of (A+B+C)				As a percentage of (A+B)	As a percentage of (A+B+C)		
(c)	Any Other (specify)	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	Sub-Total (B)(2)	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	<i>NIL</i>	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	Total Public Shareholding (B) = (B)(1) + (B)(2)	2	18,80,100	18,80,100	49.49	49.49	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	TOTAL (A)+(B)	7	37,98,875	37,98,875	100.00	100.00	[•]	[•]	[•]	[•]	[•]	[•]	[•]
(C)	Shares held by Custodians and against which Depository Receipts have been issued	NIL	NIL	NIL	NIL	NIL	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	GRAND TOTAL (A)+(B)+(C)	7	37,98,875	37,98,875	100.00	100.00	[•]	[•]	[•]	[•]	[•]	[•]	[•]

6. Except as set forth below, none of our Directors or Key Management Personnel hold Equity Shares

S. No.	Name of shareholder	Number of Equity Shares held	Pre Issue %	Post Issue %
1.	Mr. Gauri Shankar Bajaj	21,000	0.55	0.34



7. Neither the Company, nor its Promoter, Directors of Promoter, Directors, nor the Lead Manager have entered into any buy-back and/or standby arrangements for the purchase of Equity Shares of the Company from any person.
8. Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of the Draft Prospectus.
9. The Lead Manager does not hold any Equity Shares as on the date of filing of the Draft Prospectus.
10. As of the date of the Draft Prospectus, there are no outstanding financial instruments or warrants or any other right that would entitle the existing Promoters or Shareholders, or any other person any option to receive Equity Shares after the offering.

11. The top ten shareholders of our Company and their shareholding are set as forth below:

As on the date of the Draft Prospectus, our Company has 7 (Seven) shareholders.

- (a) Our top ten shareholders and the number of Equity Shares held by them, as on the date of the Draft Prospectus:

S. No.	Shareholder	No. of Equity Shares	Pre Issue %
1.	Giza Estates Private Limited	18,87,350	49.68
2.	Bikaner Wooltex Private Limited (Frontline Synthetics Pvt. Ltd.)	18,80,000	49.49
3.	Mr. Gauri Shankar Bajaj	21,000	0.55
4.	Mr. Devaki Nandan Lahoti	7,070	0.19
5.	Ms. Manju Lahoti	3,255	0.09
6.	Mr. Kamlesh Vyas	100	Negligible
7.	Mr. Rinkesh Lahoti	100	Negligible
	Total	37,98,875	100.00

- (b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of this Draft Prospectus:

S. No.	Shareholder	No. of Equity Shares	Pre Issue %
1.	Giza Estates Private Limited	18,87,350	49.68
2.	Bikaner Wooltex Private Limited (Earlier known as Frontline Synthetics Pvt. Ltd.)	18,80,000	49.49
3.	Mr. Gauri Shankar Bajaj	21,000	0.55
4.	Mr. Devaki Nandan Lahoti	7,070	0.19
5.	Ms. Manju Lahoti	3,255	0.09
6.	Mr. Kamlesh Vyas	100	Negligible
7.	Mr. Rinkesh Lahoti	100	Negligible
	Total	37,98,875	100.00

- (c) Our top ten shareholders two years prior to the date of this Draft Prospectus:

S. No.	Shareholder	No. of Equity Shares Held	%
1.	Giza Estates Private Limited	412,200	99.98
2.	Devaki Nandan Lahoti	100*	0.02
	Total	412,300	100.00



**These shares are held by Mr. Devaki Nandan Lahoti in fiduciary capacity for Giza Estates Private Limited. Giza Estates Private Limited is the beneficial owner of such shares.*

12. As on the date of the Draft Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
13. Our Company has not issued any Equity Shares out of its revaluation reserves. The details of bonus shares allotted by our Company on March 31, 2011 are as follows:
 - 14,43,050 Equity Shares in the ratio of 3.5 bonus shares for every 1 Equity Share held aggregating ₹ 144.31 lakhs, through capitalisation of Securities Premium Account to the extent of ₹ 144.31 lakhs.
14. Our Company has not raised any bridge loan against the Issue Proceeds. For details on use of Proceeds, see the Section titled “*Objects of the Issue*” beginning on page 59 of the Draft Prospectus.
15. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing the Draft Prospectus.
16. The Equity Shares issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no allotment shall be made.
17. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
18. Except as disclosed under section titled “*Issue Structure*” beginning on page 183 of the Draft Prospectus, there will be no further issue of Equity Shares either by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Draft Prospectus with SEBI until the Equity Shares have been listed.
19. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any Equity Shares to our employees under ESOS/ESPS scheme from the proposed Issue.
20. Except as disclosed under this section, none of our Directors, their immediate relatives, Promoters, its Directors and/or the members of our Promoter Group have purchased or sold any securities of our Company, during a period of six months preceding the date of filing the Draft Prospectus with SEBI.
21. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of registering the Draft Prospectus with the RoC and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
22. Our Promoters or Promoter Group will not participate in the Issue.
23. Our Company does not have any intention, proposal, negotiations or consideration to alter its 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 shares or any other securities, within a period of six months from the Issue Opening Date.
24. During the period of six months immediately preceding the date of filing of the Draft Prospectus, no financing arrangements existed for buying whereby our Promoters, its Directors, our 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.
25. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time



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26. This issue is being made through Fixed Price method.
 27. Our Company has Seven (7) shareholders as on the date of filing the Draft Prospectus.
 28. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Applicant.
 29. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
 30. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
 31. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and the Designated Stock Exchange i.e. BSE .



OBJECTS OF THE ISSUE

We intend to use the proceeds of the Issue for the following purposes:

1. Investments in listed / unlisted securities and financial products
2. Issue Expenses
3. General Corporate Purposes

(Collectively referred to hereinafter as the “Objects”)

The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on the SME Platform of BSE. We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The main object clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

We intend to utilize the Issue Proceeds, after deducting public issue expenses for financing the growth of our business.

Requirement of funds

The following table summarizes the requirement of funds:

		(₹ In Lakhs)
Sr. No.	Particulars	Amount
1	Investments in listed / unlisted securities and financial products	455.00
2	Issue Expenses	42.00
3	General Corporate Expenses	9.88
	Total	506.88

Means of Finance

		(₹ In Lakhs)
Sr. No.	Particulars	Amount
1	Public Issue Proceeds	506.88

The entire requirement of funds is proposed to be funded through the proceeds of the Issue.

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. This may, subject to compliance with applicable laws and regulations, also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object *vis-à-vis* the utilization of Issue Proceeds. In case of variations in the actual utilization 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 this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals. Also, any decreased fund requirements that lead to additional funds available for deployment as compared to the funding requirements mentioned below, the same shall be utilized as per the discretion of our management for general corporate purposes. In case of any delay in raising the funds proposed through this Issue, the company shall utilize its Internal Accruals to pay for the Issue related expenses till then.

Our Company confirms that it is not required to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance, as it intends to raise the amount through proposed public issue.

Details of the use of the proceeds



1. Investments in listed / unlisted Securities and financial products:

Our Investment portfolio as on March 31, 2012 stands at ₹ 363.64 lakhs. We intend to use ₹ 455 Lakhs for investing in Securities. Such investments could be strategic or non-strategic for short term or long term depending upon the capital market condition including but not limited to macroeconomic indicators, management profile of issuer companies, and industry scenarios. Securities include shares, debentures, bonds, warrants, options, mutual funds, exchange traded funds, gold exchange traded funds or any other financial instruments in which we may invest through market, preferential, private allotments, or other such routes in public or private companies, which may include strategic investments.

The company relies on the expertise of its management team in gauging from time to time the capital market condition including but not limited to macroeconomic indicators, management profile of issuer companies, and industry scenarios to maximize returns through active management of the company's investment portfolio.

Since, we are in the business of providing financial and corporate advisory, our domain knowledge from such business activities coupled with the experience of our promoters and senior management in the capital markets helps us identify and explore various investment opportunities in Indian markets.

Since more than 50% of our current revenue is derived from our advisory business and not from fund based business, we are currently not required to obtain registration as an NBFC with the RBI for carrying on the investment and trading activities. However, we shall obtain the necessary registration as Non-Banking Finance Company from Reserve Bank of India, as and when it becomes applicable.

2. Public Issue Expenses

The estimated issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar's fees, depository fees and listing Fees. The total expenses for this Issue are estimated to be approximately ₹ 42.00 lakhs, which is 8.29% of the Issue size.

All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	Expenses (₹ in lakhs)	Percentage of Issue Expenses	Percentage of the Issue Size
Payment to Merchant Banker including fees and reimbursements of selling commissions, Underwriting, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc and other out of pocket expenses	22.00	52.38%	4.34%
Printing and Stationery and postage expenses	6.00	14.29%	1.18%
Advertising and Marketing expenses	5.00	11.90%	0.99%
Regulatory fees and expenses	8.00	19.05%	1.58%
Other Expenses	1.00	2.38%	0.20%
Total estimated issue expenses	42.00	100.00%	8.29%

3. General Corporate Purposes

We intend to use approximately ₹ 9.88 Lakhs from the Proceeds of the Issue towards general corporate expenses as decided by our Board from time to time, including but not restricted to for our working capital requirements, bank deposits, deposits for renting or otherwise acquiring business premises, setting-up of new services, deposits obtaining



new or enabling accreditations and licenses, strategic initiatives, expansion into new geographies, brand building exercises, strengthening of our marketing capabilities, implementing enterprise resource planning tools and methodology, in our operations and other project related investments and commitments and execution capabilities in order to strengthen our operations.

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Monitoring Utilization of Funds

The management of the Company will monitor the utilization of funds raised through this public issue. Pursuant to Clause 52 of the SME Listing Agreement, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

Funds deployed

Our Statutory Auditors - M/s. Mahesh Bairat & Associates have vide certificate dated June 01, 2012 confirmed that as on May 31, 2012, the Company has deployed the following funds from the proposed Requirement of Funds mentioned above:

(₹ in Lakhs)

Sr. No.	Particulars	Amount deployed
1	Issue Expenses	2.81
	Total	2.81

They have also further confirmed that the same were deployed from the Internal Accruals of the Company.

Estimated Schedule of Implementation and Deployment of Funds

(₹ in Lakhs)

Sr. No.	Particulars	Amount already incurred upto May 31, 2012	Amount to be deployed in F.Y. 2012-13
1	Investments in listed / unlisted securities and financial products		455.00
2	Issue Expenses	2.81	39.19
3	General Corporate Purposes		9.88
	Total	2.81	504.07



Interim Use of Proceeds

Our management, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds of the Issue for the purposes described above, we may invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in working capital loan accounts and other investment grade interest bearing securities as may be approved by the Board. Such investments would be in accordance with the investment policies approved by our Board from time to time and at the prevailing commercial rates at the time of investment. No part of the Issue proceeds will be paid to our Promoters, Directors, key management personnel or Promoter Group Company/entity.



BASIC TERMS OF ISSUE

The Equity Shares, now being offered, are subject to the terms and conditions of this Draft Prospectus, the Application form, the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, BSE, RBI, RoC and/or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

The present issue has been authorized pursuant to a resolution of our Board dated October 21, 2011 and by Special Resolution passed under Section 81(1A) of the Companies Act, 1956 at the Extra - Ordinary General Meeting of our shareholders held on November 15, 2011.

Face Value	Each Equity Share shall have the face value of ₹ 10/- each.
Issue Price	Each Equity Share is being offered at a price of ₹ 22/- each.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 6000 (Six Thousand) and the multiple of 6000; subject to a minimum allotment of 6000 Equity Shares to the successful applicants.
Terms of Payment	100% of the issue price of ₹ 22/- shall be payable on Application. For more details please refer to page 192 of this Draft Prospectus.
Ranking of the Equity Shares	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten and the details of have been disclosed on page 42 of this Draft Prospectus.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.



BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 22/- per Equity Shares and is 2.2 times the face value.

Investors should read the following summary with the “Risk factors” beginning from page no. 12 of this Draft Prospectus, section titled "About the Company" beginning from page 77 and "Financial Information" beginning from page 132 of this Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

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

- Diversified and balanced mix of services
- Research backed Decision making
- Strong Management Team backed by experienced promoters
- Continuous Business Possibilities due to our Current Clientele
- Strong relationships with investors / lenders
- One-stop shop for SMEs

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, see the chapters titled “Business Overview” and “Risk Factors” beginning on pages 95 and 12, respectively, of this Draft Prospectus.

Quantitative Factors

Information presented in this section is derived from our Company’s 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 (Basic EPS)

Period	Basic EPS (₹)	Weight
FY 2009-10	0.03	1
FY 2010-11	0.19	2
FY 2011-12	0.59	3
Weighted Average	0.36	

Note: EPS represents basic earnings per share calculated as per Accounting Standard-20 issued by Institute of Chartered Accountants of India.

2. Price/Earning (P/E) ratio in relation to Issue Price of ₹ 22/-

Particulars	P/E Ratio
P/E ratio based on Basic EPS for FY 2011-12	37.3
P/E ratio based on Weighted Average EPS	60.3



Peer Group

Particulars	P/E Ratio
Industry P/E[#]	
Highest (Agarwal Holdings Ltd.)	154.2
Lowest (First Leasing Co. Ltd.)	1.6
Average	11.6

[#]Source: Capital Market volume no. XXVII/06 dated May 14 –May 27, 2012, Industry-Finance & Investments.

3. Average Return On Net Worth

Period	RONW (%)	Weight
FY 2009-10	0.26	1
FY 2010-11	0.94	2
FY 2011-12	5.07	3
Weighted Average	2.89	

- Networth is defined as share capital + reserves and surplus – miscellaneous expenditure
- Return on Networth has been calculated as per the following formula:
(Net profit after tax as restated / Networth at the end of the year or period)

4. Minimum Return on Net Worth after Issue needed to maintain Pre-Issue Basic EPS for the FY 2011-12 (based on restated financials) at the Issue Price of ₹ 22/- is 2.34%.

5. Net Asset Value (NAV) per Equity Shares

Particulars	NAV (₹)
As on March 31, 2010	10.65
As on March 31, 2011	10.35
As on March 31, 2012	11.45
NAV Post-Issue	15.43
Issue Price (₹)	22.00

6. Comparison with other listed companies

Particulars	Sales (₹ In cr.)	EPS (₹)	P/E	Return On Net Worth (%)	Book Value Per Share (₹)	Face Value (₹)
Sangam Advisors Limited*	0.7	0.6	37.3	5.1	11.5	10.0
<i>Peer Group**</i>						
Aeonian Investments Co. Ltd.	3.8	3.1	34.55	1.7	184.9	2.0
Nalwa Sons Investments Ltd.	18.7	30.4	21.71	5.3	575.6	10.0
Ratnabali Capital Markets Ltd.	838.6	18.6	5.65	11.6	159.7	10.0
Future Capital Holdings Ltd.	263.7	8.6	16.60	7.5	114.3	10.0
Future Ventures India Ltd.	13.1	-	-	-	10.0	10.0

Source: BSE

P/E based on closing price of May 31, 2012 on BSE and the standalone net profits of Fiscal 2011.

*The figures for Sangam Advisors Limited are based on the restated results for the year ended March 31, 2012.

**The figures for the peer group are taken from the Annual Reports of the Company.



The face value of our Equity Shares is ₹ 10 and the Issue Price is ₹ 22/- i.e., 2.2 times of the face value.

On the basis of the above qualitative and quantitative parameters, our Company and the Lead Manager are of the opinion that the Issue Price of ₹ 22/- per Equity Share is justified.

Investors are requested to see the section titled “*Risk Factors*” and “*Financial Statements*” beginning on pages 12 and 132 respectively of the Draft Prospectus, including important profitability and return ratios, as set out in “ANNEXURE XII” on page 146 of the Draft Prospectus to have a more informed view.



STATEMENT OF POSSIBLE TAX BENEFITS

To
The Board of Directors,
Sangam Advisors Limited
33/34, 3rd Floor, Printing House,
28-D, Police Court Lane,
Behind Old Handloom House,
Fort, Mumbai – 400 001

Dear Sirs,

Sub: Statement of possible tax benefits available to Sangam Advisors Limited and its shareholders

We hereby certify that the enclosed statement states the probable tax benefits that may be available to Sangam Advisors Limited (the “Company”) and to the shareholders of the Company under the applicable provisions of the Direct Taxes presently in force in India. Several of these tax benefits are subject to 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 tax benefits is subject to fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil. No assurance is given that the revenue authorities will concur with the views expressed herein.

Further, the Ministry of Finance, Government of India, on March 16, 2012, presented the Finance Bill 2012 before the Parliament for the Financial Year 2012-13. We have also included certain benefits which could be available to the Company or its shareholder if the Finance Bill 2012 is enacted (with or without modifications).

The benefits discussed in the enclosed statement are neither exhaustive nor are they conclusive. This statement is only intended to provide general information and to guide 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 his or her own consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

No assurance is given that the revenue authorities/ Courts will concur with the views expressed herein. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes. We shall not be liable to the Company 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 are not liable to any other person in respect of this statement.

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.

For MAHESH BAIRAT & ASSOCIATES
Chartered Accountants
FRN 112722 W

(CA MAHESH BAIRAT)
Mem No. 045810
Proprietor

Dated: May 3, 2012
Place: Mumbai



STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO SANGAM ADVISORS LTD. (“THE COMPANY”) AND ITS SHAREHOLDERS

A) Benefits available to the Company

- a) Under section 10(34) of the Act, income by way of dividends referred to in section 115-O received on shares of any domestic company is exempt from tax.
- b) Capital Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess). However, as per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund on or after October 1, 2004, where the transaction of sale is subject to STT, for transactions on a Recognised Stock Exchange, is chargeable to tax at a rate of 15 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess).
- c) Under Section 10(38) of the Act, any long term capital gains arising out of sale of an equity shares or units of an equity oriented fund on or after October 1, 2004, are exempt from tax provided that the transaction of sale of such shares or units is chargeable to Securities Transaction Tax (‘STT’), for transactions on a Recognised Stock Exchange. However, such income is required to be taken into account in computing the book profits under Section 115JB of the Act.
- d) In the computation of long term capital gains (which is not exempt from tax), as per the provisions of section 48, the actual cost of acquisition may be substituted by the indexed cost of acquisition i.e. the actual cost is scaled up by the prescribed index factor, resulting into reduced taxable income.
- e) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gains is invested within six months after the date of such transfer in the bonds (long term specified assets) issued by:
 - 1) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
 - 2) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.If only part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bear to the whole of the capital gains. The cost of the long term specified assets, which has been considered under this section for calculating capital gains, shall not be allowed as a deduction from the income -tax under section 80C of the Act.
- f) Deduction of rent, rates, taxes, repairs and insurance for buildings under Section 30 of the Act and repairs and insurance for machinery, plant and furniture under Section 31 of the Act;
- g) Under section 32 of the Act, the deduction for depreciation will be available at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and intangible assets such as patents, trademarks, copy rights, know how, licenses, franchise or any other business or commercial rights of similar nature.
- h) Under section 32(2) of the Act, the unabsorbed depreciation arising due to absence/ insufficiency of profits or gains chargeable to tax can be carried forward. The amount is allowed to be carried forward and set off for the succeeding years until the amount is exhausted without any time limit.



- i) Under Section 35(1)(i) and (iv) of the Act, deduction for any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the Company.
- j) Under Section 35(1)(ii) and (iii) of the Act, deduction for any sum paid to a scientific research association which has as its object the undertaking of scientific research, or to any approved university, college or other institution to be used for scientific research or for research in social sciences or statistical scientific research to the extent of a sum equal to one and three fourth times the sum so paid.
- k) Under section 35D of the Act, the deduction, subject to prescribed limits, will be available in respect of the expenditure incurred of the nature specified in the said section, including expenditure in connection with the present issue, such as underwriting commission, brokerage and other expenses, as specified in the said section, by way of amortization over a period of five years.
- l) Under Section 35DD of the Act, deduction for 1/5th of the expenditure incurred in connection with Amalgamation of an undertaking by way of amortization over a period of 5 successive years, beginning with the year in which the amalgamation or demerger takes place.
- m) Under Section 35DDA of the Act, deduction for 1/5th of the expenditure incurred in connection with expenses incurred on payment made to an employee under any scheme or schemes of voluntary retirement for a period of 5 successive years, beginning with the year in which such expense was incurred.
- n) Under section 10(35) of the Act, any income (other than capital gains) received in respect of the units of a Mutual Fund specified under section 10(23D) of the Act is exempt from tax.
- o) Under Section 36(1)(i) of the Act, deduction for any premium paid by the Company in respect of insurance against risk of damage or destruction of stocks or stores used for the purposes of the business or profession and under Section 36(1)(ib) of the Act, any premium paid the Company to the effect or to keep in force an insurance on the health of his employees under a scheme framed in this behalf by the specified insurers;
- p) Under Section 36(1)(ii) of the Act, deduction for any sum paid to an employee as bonus or commission for services rendered, where such sum would not have been payable to him as profits or dividend if it had not been paid as bonus or commission;
- q) Under Section 36(1)(iii) of the Act, deduction for any sum paid on account of the interest in respect of capital borrowed for the purposes of the business or profession. As per proviso of Section 36(1)(iii), deduction of interest paid is not allowed on capital borrowed for acquisition of an asset for extension of existing business till the time such asset was first put to use of which interest would be capitalized and form part of the 'actual cost' for the purpose of claiming depreciation under Section 32 as mentioned above.
- r) Under Section 36(1)(iv), (v) and (va) of the Act, deduction for any sum paid by the Company as an employer by way of contribution towards a recognized provident fund, approved gratuity fund or an approved superannuation fund, subject to specified limits created by him for the exclusive benefit of his employees under an irrevocable trust;
- s) Under Section 36(1)(vii) of the Act, deduction for any bad debt or written off as irrecoverable in the accounts of the Company
- t) Under Section 36(1)(ix) of the Act, deduction for any expenditure bona fide incurred by a company for the purpose of promoting family planning amongst its employees;
- u) Under section 36 (1) (xv) of the Act, the Securities Transaction Tax paid by the Company in respect of the transactions, the income whereof is chargeable as Business Income, will be allowable as deduction against such income.



For Financial Year 2012-13, the Finance Bill 2012 has proposed to reduce the STT rate from the existing 0.125 per cent to 0.1 per cent. The proposed amendment in the rates of STT is subject to enactment (with or without modification) and will be effective from July 1, 2012.

- v) Under Section 37(1) of the Act, deduction for any expenditure not being expenditure of the nature described in Sections 30 to 36 of the Act, and not being in the nature of capital expenditure or personal expenses of the assessee, laid out or expended wholly and exclusively for the purposes of the business or profession in computing the income. Further, any expenditure which is for an offence or prohibited by law is not allowed as deduction.
- w) As per the provisions of section 80G of the Act, the deduction will be available in respect of donations to various charitable institutions and funds covered under that section, subject to fulfillment of the conditions specified therein.
- x) Under section 115JAA (1A) of the Act, tax credit shall be allowed in respect of Minimum Alternate Tax (MAT) paid under section 115JB of the Act for any assessment year commencing on or after 1st April, 2006. The credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set off beyond ten years immediately succeeding the year in which the MAT credit initially arose.
- y) In computing business income, Section 72 of the Act provides that the business loss of the assessee is carried forward to the following year to be set off against the profits and gains of business and profession and the balance is allowed to be carried forward for next 8 years subject to the provisions of the Act. Unabsorbed depreciation, if any, for any year can be carried forward and set off against any source of income of subsequent years as per section 32 of the Act.
- z) In computing capital gains, as per Section 74 of the Act, brought forward short-term capital loss from previous years is allowed to be set-off against short-term as well as long-term capital gain of the subsequent years. Brought forward long term capital loss is allowed to be set-off only against long-term capital gains of the subsequent years. Capital loss can be carried forward for set-off for eight years immediately succeeding the year in which the loss was first computed.

B. Benefits available to resident shareholders

- a) Under section 10(34) of the Act, income by way of dividends referred to in section 115-O received on the shares of the Company would be exempt from income tax in the hands of shareholders.
- b) Under section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
- c) In the computation of long term capital gains (which is not exempt from tax), as per the provisions of section 48, the actual cost of acquisition may be substituted by the indexed cost of acquisition i.e. the actual cost is scaled up by the prescribed index factor, resulting into the reduced taxable income.
- d) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gains is invested within six months after the date of such transfer in the bonds (long term specified assets) issued by:
 - 1) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
 - 2) Rural Electrification Corporation Limited, the company formed and registered under the Companies



Act, 1956.

If only part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bear to the whole of the capital gains. The cost of the long term specified assets, which has been considered under this section for calculating capital gains, shall not be allowed as a deduction from the income -tax under section 80C of the Act.

- e) Under section 54F of the Act, subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under section 10(38) of the Act) arising to an individual or a Hindu Undivided Family on transfer of shares of the Company will be exempt from capital gains tax, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of such transfer.
- f) Under section 111A of the Act, short -term capital gains (i.e., equity shares held for a period not exceeding 12 months) arising on transfer of equity shares in the Company would be taxable at a rate of 15 percent (plus applicable surcharge, education cess) where the transaction is done through a recognized stock exchange in India and is liable to securities transaction tax.
- g) However in the case of an individual or a Hindu Undivided Family, being resident, where the total income as reduced by such short term capital gains is below the maximum amount which is not chargeable to income tax then, such short term capital gains shall be reduced by the amount by which total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the tax on the balance of such short term capital gains shall be computed at the rate of ten percent. Where the gross total income of an assessee includes any short term capital gains referred herein above then the deduction under chapter VI – A of the Act shall be allowed from the gross total income as reduced by such capital gains.
- h) Under section 112 of the Act and other relevant provisions of the Act, long term capital gains, (other than those exempt under section 10(38) of the Act) arising on transfer of shares of the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge, education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge, education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of the shares.

However in the case of an individual or a Hindu Undivided Family where the total income as reduced by such long term capital gains is below the maximum amount which is not chargeable to income tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the balance of such long term capital gains shall be computed at the rate of 20% (plus applicable education cesses).

- i) Under section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid in respect of taxable securities transactions offered to tax as business income shall be allowable as a deduction against such income.

Financial Year 2012-13. The Finance Bill 2012 has proposed to reduce the STT rate from the existing 0.125 per cent to 0.1 per cent. The proposed amendment in the rates of STT is subject to enactment (with or without modification) and will be effective from 1 July 2012.

- j) As per Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under Section 64(1A) of the Act is exempted from tax to the extent of ₹ 1, 500 per minor child for a maximum of two children.
- k) In computing business income, Section 72 of the Act provides that the business loss of the assessee is carried forward to the following year to be set off against the profits and gains of business and profession and the balance is allowed to be carried forward for next 8 years subject to the provisions of the Act. Unabsorbed depreciation, if any, for any year can be carried forward and set off against any source of income of subsequent



years as per section 32 of the Act.

- l) In computing capital gains, as per Section 74 of the Act, brought forward short-term capital loss from previous years is allowed to be set-off against short-term as well as long-term capital gain of the subsequent years. Brought forward long term capital loss is allowed to be set-off only against long-term capital gains of the subsequent years. Capital loss can be carried forward for set-off for eight years immediately succeeding the year in which the loss was first computed.

C. Benefits available to non-resident shareholders (other than Foreign Institutional Investors and Foreign Venture Capital Investors).

- a) Under Section 36(1)(xv) of the Act, the amount of Securities Transaction Tax ('STT'), for transactions on a Recognised Stock Exchange, paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" is allowable as a deduction against such Business Income. Further, the Ministry of Finance, Government of India, on March 16, 2012, presented the Finance Bill 2012 before the Parliament for the

For Financial Year 2012-13, the Finance Bill 2012 has proposed to reduce the STT rate from the existing 0.125 per cent to 0.1 per cent. The proposed amendment in the rates of STT is subject to enactment (with or without modification) and will be effective from July 1, 2012.

- b) Under section 10(34) of the Act, income by way of dividends referred to in section 115-O received on the shares of the Company would be exempt from income tax in the hands of shareholders.
- c) Under section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
- d) In the computation of long term capital gains (which is not exempt from tax), as per the provisions of section 48, the actual cost of acquisition may be substituted by the indexed cost of acquisition i.e. the actual cost is scaled up by the prescribed index factor, resulting into reduced taxable income.
- e) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gains is invested within six months after the date of such transfer in the bonds (long term specified assets) issued by:

- 1) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;

- 2) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gains. The cost of the long term specified assets, which has been considered under this section for calculating capital gains, shall not be allowed as a deduction from the income -tax under section 80C of the Act.

- f) Under section 54F of the Act and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under section 10(38) of the Act) arising to an individual or a Hindu Undivided Family on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.



- g) Under section 111A of the Act and other relevant provisions of the Act, short-term capital gains arising on transfer of equity shares in the Company would be taxable at a rate of 15 percent (plus applicable surcharge, education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
- h) Under section 112 of the Act and other relevant provisions of the Act, long term capital gains, (other than those exempt under section 10(38) of the Act) arising on transfer of shares in the Company, would be subject to tax at the rate of 20 percent (plus applicable surcharge, education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge, education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.
- i) As per section 90(2) of the Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the non-resident shareholder would prevail over the provisions of the Act to the extent they are more beneficial to the non-resident shareholder.
- j) Taxation of income from investment and long term capital gains (other than those exempt under section 10(38) of the Act).
- (1) A non-resident Indian i.e. an individual being a citizen of India or person of Indian origin has an option to be governed by the specific provisions contained in Chapter XII-A of the Act, i.e. "Special provisions relating to certain income of non-residents".
 - (2) As per the provisions of section 115E of the Act, where shares in the company are subscribed for in convertible foreign exchange by a non-resident Indian, capital gains arising on transfer of shares held for the period exceeding 12 months shall be concessionally taxed at a flat rate of 10% (plus applicable education cesses) without indexation benefit but with protection against foreign currency fluctuation under the first proviso to section 48 of the Act.
 - (3) Under the provisions of section 115F of the Act, long term capital gains arising to a non-resident Indian from transfer of shares of the Company subscribed to in convertible foreign exchange shall be exempt from tax if the net consideration is reinvested in specified assets within six months of the date of transfer. Conversely, under the provisions of the said section, long term capital gains arising to a non-resident Indian from transfer of specified assets subscribed to in convertible foreign exchange shall be exempt from tax if net consideration is reinvested in the shares of the Company within six months of date of transfer. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced.
 - (4) Under section 115-G of the Act, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income, liable to tax in India, is investment income or long term capital gains or both arising out of assets acquired, purchased with or subscribed to in convertible foreign exchange and tax deductible at source has been deducted there from.
 - (5) As per the provisions of section 115-I of the Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A of the Act for the any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year, and if he does so, the provisions of this Chapter shall not apply to him. In such a case the tax on investment income and long term capital gains would be computed as per normal provisions of the Act.
- k) As per provisions of Section 10(32) of the Act, any income of minor child clubbed in the total income of the parent under Section 64(1A) of the Act is exempted from tax to the extent of ₹ 1,500 per minor child.



D. Benefits available to foreign institutional investors (FIIs)

- a) Under section 10(34) of the Act, income by way of dividends referred to in section 115-O received on the shares of the Company would be exempt from income tax in the hands of shareholders.
- b) Under section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.
- c) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gains is invested within six months after the date of such transfer in the bonds (long term specified assets) issued by:

- 1) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- 2) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gains. The cost of the long term specified assets, which has been considered under this section for calculating capital gains, shall not be allowed as a deduction from the income -tax under section 80C of the Act.

- d) As per section 90(2) of the Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the Act to the extent they are more beneficial to the FII.
- e) Under section 115AD of the Act, income by way of long term capital gains arising from the transfer of shares (in cases not covered under section 10(38) of the Act) held in the company will be taxable @ 10% (plus applicable surcharge, education cess). It is to be noted that the benefits of indexation and foreign currency fluctuations are not available to FIIs.
- f) As per sub-section (2) of section 196D, no tax is to be deducted by the payer in respect of any income, by way of capital gains arising from the transfer of securities payable to FII's. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has Fiscal domicile.

E. Tax Benefits available to Mutual Funds

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India, would be exempt from Income-tax subject to the conditions as the Central Government may notify. However, the mutual funds are liable to pay tax on income distributed to unit holders of non-equity oriented mutual funds under Section 115R of the Act.

F. Benefits available to Venture Capital Companies / Funds

As per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies ('VCC') / Funds ('VCF') (set up to raise funds for investment in a Venture Capital Undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India, would be exempt from Income-tax, subject to the conditions specified therein.



However, the exemption is restricted to the VCC and VCF set up to raise funds for investment in a Venture Capital Undertaking, which is engaged in the business as specified under Section 10(23FB)(c).

However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

Further, the Ministry of Finance, Government of India, on March 16, 2012, presented the Finance Bill 2012 before the Parliament for the Financial Year 2012-13. The Finance Bill 2012 has proposed to the following amend Section 10(23FB) and Section 115U of the Act:

- There will be no sectoral restrictions;
- The income accruing to VCC / VCF will be taxable in the hands of the investors on accrual basis;
- The income paid by VCC / VCF will be liable to Tax Deduction at Source / Dividend Distribution Tax as the case may be; and

The proposed amendment subject to enactment (with or without modification) and will be effective from 1 April 2012.

In the case of Foreign Venture Capital Companies / Funds who are non-residents, as per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident. Thus, the applicable Tax Treaty provisions also need to be examined and factored for final and more favorable implications.

G. Benefits available under the Wealth Tax Act, 1957

Asset as defined under section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

H. Gift of shares not liable to tax, subject to satisfaction of certain conditions

- (i) Gift of shares would not attract gift tax as such. However, pursuant to section 56 (2) (vii) of the Act, if shares of the company, the fair market value whereof is more than ₹ 50,000, are transferred by the shareholder of the Company to a Hindu Undivided Family or any individual who is not a relative as defined in the explanation to section 56(2)(vi)] of the shareholder, without consideration or for an inadequate consideration, then, the fair market value of the shares or the difference between the fair market value of the shares and the actual consideration, as the case may be, shall be included in the taxable income of the transferee and taxed as per the provisions of the Act.
- (ii) After the shares of the Company are listed, transfer of the shares of the Company by any person to any partnership firm, Limited Liability Partnership or closely held company would not attract tax liability under section 56(viia) in the hands of the transferee in a case where the transfer is effected without any consideration or for an inadequate consideration.

I. Special Benefits

There are no special tax benefits to the Company or to the shareholder of the Company.

Notes:

1. The above statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
2. The tax benefits listed above are not exhaustive.



3. The above Statement of possible tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or list of all potential tax consequences.
4. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.
5. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
6. In view of the individual nature of tax consequences, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its participation in the scheme.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For MAHESH BAIRAT & ASSOCIATES
Chartered Accountants
FRN 112722 W

Dated: May 3, 2012
Place: Mumbai
Proprietor

(CA MAHESH BAIRAT)
Mem No. 045810



SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

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

Overview of the Economy

Introduction

The Indian economy continued to be a key driver of the global growth process with a GDP growth of 8.5 per cent in 2010-11. Even in the current fiscal year, which has been a relatively difficult one, with the growth rate slowing down to 7.3 per cent in the first half, India is still among the global frontrunners. The slowdown is mainly on account of the sluggishness in industrial sector, which registered a growth rate of 4.2 per cent in the first half of the current financial year compared to 8.1 per cent in the corresponding period of the last year. The growth in agriculture was 3.6 per cent which is approximately the same as in the corresponding period of the previous year. With growth just short of double digit, the services sector continues to be the mainstay of the economy and a key driver of the nation's overall growth.

The slowdown in the first half of 2011-12 can be partly attributed to global factors viz., the slowdown in the world economy, exacerbation of the euro zone crisis, hardening of crude oil prices in the international market, as well as to domestic factors, such as the decision to battle inflation by tightening monetary policy and cutting back on the fiscal stimulus. Through these difficult months India's international trade has, however, registered one of the fastest growth rates witnessed in recent times, with exports increasing by 52 per cent and imports increasing by 32 per cent in the first half of the current fiscal. One of the persistent problems in the current year has been inflation, which has been stubborn at around 9 per cent per annum through the first six months of the current fiscal year, even though, there have been signs of a slowdown in the last months. As such, the Reserve Bank of India (RBI) had to raise policy rates by 175 basis points this year. Fiscal policy has been in a consolidation mode. Moderation in the level of Foreign Institutional Investment (FII) flows has resulted in a decline in the equity indices and a sharp depreciation of the rupee in the forex markets, though a part of this depreciation merely reflects the higher inflation in India vis-à-vis industrialized nations over the last year and a half. The decline and retreat of FII flows occurred because of the mood of global uncertainty prompted by gradual unfolding of the euro zone crisis and the threat of sovereign defaults and cascading effect in other sectors. Not surprisingly, the movements of FII flows to India are broadly in line with indicators in other emerging and developing economies.

Growth

Growth is slowing on global cues and domestic factors; may have bottomed out. The GDP at factor cost at constant 2004-05 prices in the first half of 2011-12 registered a growth rate of 7.3 per cent over the first half of 2010-11. The growth rates of first and second quarters were 7.7 per cent and 6.9 per cent respectively (Table 1).



Table 1: Quarterly Growth in GDP

(in percent)

Particulars	2010-11				2011-12	
	Q1	Q2	Q3	Q4	Q1	Q2
1 Agriculture, forestry & fishing	2.4	5.4	9.9	7.5	3.9	3.2
Industry	9.1	7.1	7.1	6.1	5.1	3.2
2 Mining & quarrying	7.4	8	6.9	1.7	1.8	-2.9
3 Manufacturing	10.6	7.8	6	5.5	7.2	2.7
4 Electricity, gas & water supply	5.5	2.8	6.4	7.8	7.9	9.8
5 Construction	7.7	6.7	9.7	8.2	1.2	4.3
Services	10.4	9.6	8.4	8.7	10	9.3
6 Trade, hotels, transport & communication	12.1	10.2	8.6	9.3	12.8	9.9
7 Financing, insurance, real estate & business services	9.8	10	10.8	9	9.1	10.5
8 Community, social & personal services	8.2	7.9	5.1	7	5.6	6.6
Total GDP at factor cost	8.8	8.4	8.3	7.8	7.7	6.9

Source: Central Statistics Office (CSO)

In the second quarter of the current fiscal, agriculture and industry grew by 3.2 per cent each and services grew by 9.3 per cent. The lower levels of growth owe to low growth in manufacturing of 2.7 per cent, construction (4.3 per cent) and a negative growth in mining and quarrying sector. Sectors that have posted good growth rates in the second quarter include 'Electricity, gas and water supply', registering a growth of 9.8 per cent, 'Trade, hotels, transport and communications' (9.9 per cent) and 'Financing, real estate and business services' (10.5 per cent).

The sectoral composition in the GDP does not change significantly in the short run. However, the relative shares of different sectors of the economy undergo some shifts, depending on this growth performance of the different sectors (Table 2). The decline in the share of the agriculture sector is in line with the long term trend expected in a rapidly growing economy. This in turn reflects the inherent tendency of the agriculture sector to grow relatively slower than other sectors during rapid overall development. The share of the industry sector also declined in the second quarter reflecting slower growth mainly because of global slowdown but also a result of the tightening monetary and fiscal policies. Of course, it may also be observed that there are seasonal factors playing a role in variations in the sectoral shares on a quarterly basis. Such variations are less pronounced or hardly visible in the annual data.

Table 2: Sectoral contribution of GDP at factor cost

(in percent)

Particulars	2010-11				2011-12	
	Q1	Q2	Q3	Q4	Q1	Q2
1 Agriculture, Forestry & Fishing	14.10	11.50	17.50	14.20	13.60	11.10
2 Industry	28.70	28.50	26.80	27.90	28.00	27.60
3 Mining & Quarrying	2.30	2.20	2.20	2.30	2.20	2.00
4 Manufacturing	16.10	16.30	15.20	15.90	16.00	15.70



Particulars		2010-11				2011-12	
		Q1	Q2	Q3	Q4	Q1	Q2
5	Electricity, gas & water supply	2.00	2.00	1.80	1.90	2.00	2.00
6	Construction	8.20	8.00	7.60	7.90	7.70	7.80
	Services	57.20	60.00	55.60	58.00	58.40	61.40
7	Trade, hotels, transport & communication	26.30	27.10	25.90	27.90	27.60	27.90
8	Financing, Insurance, Real Estate & Business services	18.10	18.20	16.90	16.70	18.30	18.80
9	Community, Social & Personal Services	12.80	14.70	12.80	13.40	12.50	14.70
	Total GDP at Factor Cost	100.00	100.00	100.00	100.00	100.00	100.00

Source : CSO

On the demand (expenditure) side, the GDP at constant market prices registered a growth rate of 7.6 per cent in the first half of current year vis-à-vis a growth of 8.9 per cent in the corresponding period of last year. The growth has been 8.5 per cent in the first quarter and 6.7 per cent in the second quarter. The growth particularly slowed down in fixed investment in the second quarter and fixed investment was in fact lower in the first quarter of 2011-12 vis-à-vis 2010-11 in absolute terms, representing a negative growth. The sectoral shares of various components of the demand (expenditure) side are given in Table 3.

Table 3: Sectoral Contribution in GDP at Market Prices

(in percent)

Particulars		2010-11				2011-12	
		Q1	Q2	Q3	Q4	Q1	Q2
1	Total Final Consumption Expenditure	72.80	70.90	72.30	63.10	70.90	70.10
	1.1 Private Final Consumption Expenditure	61.70	59.90	60.10	52.60	60.50	59.50
	1.2 Government Final Consumption Expenditure	11.10	10.90	12.20	10.50	10.40	10.70
2	Gross Capital Formation	37.40	38.80	36.00	37.80	37.80	36.80
	2.1 Gross Fixed Capital Formation	31.40	32.80	30.50	32.10	31.20	30.50
	2.2 Changes in Stocks	3.60	3.60	3.30	3.40	3.50	3.40
	2.3 Valuables	2.40	2.40	2.20	2.20	3.10	2.90
3	Exports	21.20	21.20	21.90	23.10	24.30	25.30
4	Less: Imports	28.90	28.80	25.70	27.00	33.00	29.90
	GDP at 2004-05 Market Prices	100.00	100.00	100.00	100.00	100.00	100.00

Source: Compiled from CSO

Totals may not add upto hundred due to discrepancies

Private consumption accounts for around three-fifth of the GDP at market prices. It has been relatively stable in the first two quarters of the current year broadly keeping in line with the trends observed in the previous years. The share of Government expenditure has declined marginally, pointing towards fiscal consolidation. The share of exports and



imports registered a significant increase in GDP because of strong growth performance in exports and imports in the 1st half of the current financial year. Exports and imports put together accounted for around 56 per cent of GDP in the first half of current year as compared to 50 per cent in the corresponding period last year.

As stated in above paras, seasonal factors also explain significant variations in the quarterly performance. In view of this it is useful to analyse the sequential deseasonalised growth momentum. While, year-on-year growth in GDP at factor cost at constant prices is slowing since the first quarter of 2010-11, on an annualized sequential deseasonalised basis, it has been a mixed picture since then. On the basis of the latter, the momentum in the second quarter of the current fiscal has been better than the headline indicator. In terms of the sequential quarter on quarter deseasonalised measure, barring mining, manufacturing and industry as a whole, all other major sub-sectors indicate high growth momentum in the second quarter. This augurs well for the outcome in terms of GDP growth for the year as a whole.

Prices

Inflation remained sticky

The overall picture during the current fiscal so far has been one of persistently high headline inflation even though there are some signs of a slowdown during the last few weeks. This has been a major cause of concern for both the Government and the Reserve Bank of India, and they are taking a number of measures to address it. The reasons for this persistently high inflation can be found in both supply and demand side factors. The headline WPI inflation has remained sticky at around 9 per cent with an upward bias for the last sixteen months (July 2010-October 2011). Inflation in terms of Consumer Price Index for Industrial Workers (CPIIW) was at single digit level from August 2010 to August 2011. The average inflation in consumer price index for industrial workers was around 9 per cent during the first half of 2011-12, which is significantly lower than around 12 per cent for the same period last year. This lower momentum in the first half of the current fiscal is a pointer to the impact of anti-inflationary policies of the Government and favourable performance of agricultural sector.

The year-on-year headline WPI inflation in October 2011 was 9.7 per cent, little changed from previous levels. Inflation in Primary Articles and Manufactured Products declined in the current month. During current financial year, the average WPI inflation for last seven months (April-October, 2011) was 9.6 per cent compared to 9.9 per cent during same months last year.

Financial markets

Money market

Orderly conditions in money markets reflected the monetary policy stance

The money market has remained orderly during 2011-12 so far. The RBI has actively managed liquidity in a manner as to ensure that it remains broadly in balance. Consistent with RBI's anti-inflationary stance, liquidity was kept in deficit mode since early 2010. Briefly, at the commencement of the current financial year, the liquidity adjustment facility (LAF) window was in the absorption mode. This was mainly on account of substantial cash surpluses maintained by banks as part of their year-end adjustments and the transit in Centre's balance from surplus to Ways and Means Advance (WMA). The key short-term rate, viz call money rate declined at the commencement of the current financial year, with the improvement in liquidity conditions.

The liquidity conditions reverted to deficit mode from the second week of April 2011. However, the average daily net outstanding liquidity injection declined significantly during the month on account of high WMA /Overdraft (OD) availed by the Central Government in comparison with the previous month. The operating procedure on Monetary Policy was changed on May 3, 2011 as indicated earlier. The seasonal stress in the liquidity conditions increased in June 2011 on account of quarterly advance tax outflows. The call rate increased thereafter reflecting tightening of liquidity conditions and hike in the policy rates; and it generally hovered around the repo rate during the first quarter of the financial year. The injection of liquidity under the MSF, since its introduction in May 2011, has been limited to two occasions (₹ 100 crore on June 10 and ₹ 4,105 crore on July 15, 2011).



Driven by the levels of WMA/OD of the Centre and seasonal factors like advance tax collections, net injection of liquidity alternated from higher to moderate conditions in the second quarter. The call rate increased further and continued to hover around the repo rate during the second quarter reflecting the above as well as the successive hikes in policy rates by the RBI. It averaged 7.86 per cent in the second quarter as compared to 7.04 per cent in the first quarter of the financial year 2011-12.

The rates in the collateralized segments, namely collateralized borrowing and lending obligation (CBLO) and the market repo have moved in tandem with the call rate, but generally remained below it. The transaction volumes in the collateralized segments have remained high, reflecting active market conditions. Banks and primary dealers remained the major groups of borrowers in the collateralized segments, while the Mutual funds (MFs) followed by banks continued to be the major group of lenders in these segments. The share of MFs in the total lending has declined significantly (to below 50 per cent) in the recent months. The collateralized segment continued to remain the predominant segment of the overnight money market, accounting for more than 80 per cent of the total volume.

Treasury Bills: Treasury bill cut off yields hardened considerably in 2011-12. Monetary policy tightening and liquidity shortage weighed on the yields during the year. While the yields increased across tenors, the Treasury Bill yield curve became flatter as the increase was more prominent in respect of 91-day treasury bills (Table 4).

Table 4: Average implicit yield of T-Bills in the primary market

(in per cent)

Month-end	91-Day	182-Day	364-Day
2010-11	6.14	6.47	6.66
2011-12			
Apr-11	7.36	7.61	7.67
May-11	8.06	8.24	8.25
Jun-11	8.21	8.19	8.32
Jul-11	8.21	8.23	8.37
Aug-11	8.35	8.43	8.24
Sep-11	8.41	8.42	8.4
Oct-11	8.55	8.66	8.6
Nov-11 (upto 14 Nov)	8.74	8.95	8.74

Source : DMO, Min. of Finance

Government Securities Market: The Central Government completed a large part (75.5 per cent) of its budgeted gross market borrowing programme during April-November 2011 (up to November 14). The market borrowing programme was increased by ₹ 53, 000 crore, while announcing the calendar for the second half of the year, due to likely shortfall in other financing sources particularly small savings. The yields on government securities during the year were influenced by monetary policy tightening, inflation concerns and supply factors. Issuance strategy was modulated to meet the evolving pattern of market demand and involved an extension of maturity of issuance. The weighted average maturity of securities issued during 2011-12 (up to 14 November 2011) was 12.36 years as compared to 11.33 years in the corresponding period of the previous year.

Equity markets

Bearish trends persist in the equity markets on global cues

In sync with the bearish sentiments prevailing in the global markets, the equity markets in India witnessed a downturn since the beginning of the year 2011. Compared to the last trading day in the year 2010, Sensex lost 2804.08 points or



13.6 per cent and Nifty lost 807.9 points or 13.17 per cent as on 31 October, 2011. However, in the current financial year, the Sensex lost 1740 points (or -8.95 per cent) whereas, Nifty lost 507.15 points (or -8.69 per cent). Market capitalisation is around 0.79 times the GDP of 2010-11 (revised estimate of GDP at market price). Indian market is relatively less affected as compared to some of the major Asian and European markets from the present financial crisis in the Eurozone. This is evident from the fact that while France (CAC) and Germany, DAX has lost 18.7 per cent and 12.8 per cent, BSE Sensex has lost only 8.95 per cent.

The economic and political developments in the Euro zone on resolving the ongoing sovereign debt crisis has had its impact in markets around the world. Indian markets have broadly followed the trend in the global markets (Table 5), though the extent of fall in the Indian markets has been less as compared to its global peers.

Table 5: Equity Indices across Markets

	31-Oct-11	End of March 2011	Percentage Change
Taiwan Weighted	7587.69	8683.3	-12.62
Jakarta, Indonesia	3790.85	3678.67	3.05
Kospi, Korea	1909.03	2106.7	-9.38
Strait, Singapore	2855.77	3105.85	-8.05
Shanghai, China	2468.25	2928.11	-15.71
Hang Seng, Hong Kong	19864.87	23527.52	-15.57
Nikkei, Japan	8988.39	9755.1	-7.86
BSE, India	17705.01	19445.22	-8.95
FTSE, UK	5544.2	5908.8	-6.17
DAX, Germany	6141.34	7041.31	-12.78
CAC, France	3242.84	3989.18	-18.71
S&P 500, US	1253.3	1325.83	-5.47
Nasdaq, US	2684.41	2781.07	-3.48
DJIA, US	11955.01	12319.73	-2.96

The main reason for the fall in the global markets, particularly the emerging and developing economies is the impact of the lingering euro zone crisis, which has unleashed a fresh bout of risk aversion and flight to safety of capital. Foreign Institutional Investors (FIIs) flow is a key explanatory variable in analyzing the equity market trends. FII make investments in markets on the basis of their perceptions of the returns that such markets can yield. Their perceptions are, among other things, influenced by many factors including the prevailing macroeconomic environment, the growth potential of the economy and corporate performance in different countries.

The total net FII flows to India in 2009 stood at US\$ 18.51 billion. These flows grew remarkably in 2010 and India received net FII investment worth US\$ 39.47 billion in 2010 which has been highest during the last decade. These flows were largely driven by equity inflows which remained buoyant on the back of strong domestic macroeconomic fundamentals and high GDP growth. FIIs have also been quite active in the debt segment in 2010. The net FII inflow in the debt segment was US\$ 10.11 billion in 2010 against US\$ 1.64 billion in 2009. Net FII Investment in India during 2007-2011 (in US\$ million) is given below (Table 6). Against the high net FII Inflows of 2010, the flows during the present calendar year have been quite low. During the last ten months (January-October) of 2011, India has received only US\$ 4.68 billion against US\$ 39.47 billion received during last year.



Table 6: FII Investment

in US \$ Million

Segments	2007	2008	2009	2010	2011*
Equity	17655.8	-11974.3	16869.84	29361.83	397.81
Debt	2340.1	2636.4	1637.83	10112.16	4290.3
Total	19995.9	-9337.9	18507.67	39473.99	4688.11

* Investments upto October 31, 2011

Source: SEBI

Liberalisation measures taken to lift the level of flows is likely to yield results

In the context of the India's evolving macro-economic situation, the Government in close collaboration with RBI and SEBI has taken various liberalisation measures to attract offshore funding to meet growing capital needs of the Indian economy.

Analysis and Outlook

Growth

GDP growth in the first half of 2011-12 is 7.3 per cent. The slowdown in growth is also evident from the monthly Index of Industrial Production (IIP) data and other statistics, such as the Purchasing Managers Index (PMI). This is reason enough to have to revise downwards the GDP growth forecast of 9 per cent that was made in Economic Survey 2010-11. The analysis of several data series and simple macro-econometric modeling lead us to forecast a GDP growth rate of 7.5 +/- 0.25 per cent during 2011-12. We expect some revival next year but the outlook remains mixed. If Europe slides into a proper recession, with all the attendant financial contagion that will no doubt affect other nations, the entire world economy will slow down and we could also be impacted. On the other hand, given that India's fundamentals are strong, if Europe and the United States remain stable, it should be possible for us to get back close to our long-run target of 9 per cent.

The world economy and India

After the global financial crisis in late 2008, following the Lehman Brothers collapse, the world economy plunged into severe recession. By late-2009, it, however, looked as if the global economy would be able to surmount the problems—following unprecedented monetary easing and fiscal stimulus in the developed and developing world. India did very well during this first phase of the global crisis, thanks to its strengths in prudential management of the financial sector, and quick and responsive fiscal stimulus and monetary easing measures: as a result, India's growth slowdown was among the shortest and least severe among all major economies, and growth recovered robustly. By late 2011, however, the world economy was slipping into turmoil. Developed countries, the epicenter of this crisis, are now once again confronted by serious problems: deleveraging by banks, financial institutions and households, escalating fears about sovereign debt, rising cost of sovereign borrowing, especially in Europe, loss of confidence in currencies and stock markets, and persistently high prices of commodities.

The global economy received a jolt with recent developments in both the US and Euro area. The rating agency Standard & Poor's downgrading of the US long term sovereign rating from AAA to AA+ on August 07, 2011 turned out to be a landmark event. There were many who disagreed with S&P's decision; but the very fact that a rating agency could downgrade the US was treated as significant enough. It sent a sharp signal about the changing landscape of the world economy, even though the underlying fiscal uncertainty and renewed economic slowdown were evident even before that.

External observers and analysts (such as the IMF, WEO) suggest that while growth in the emerging and developing economies would be lower, it would still be at a solid pace of about 6.4 per cent in 2011 and 6.1 per cent in 2012 compared to 7.3 per cent in 2010 (and slightly lower by 0.2 per cent and 0.3 per cent respectively compared to June 2011 forecasts). China's GDP growth is projected at 9.5 per cent and 9.0 per cent for 2011 and 2012, lower from the 10.3 per

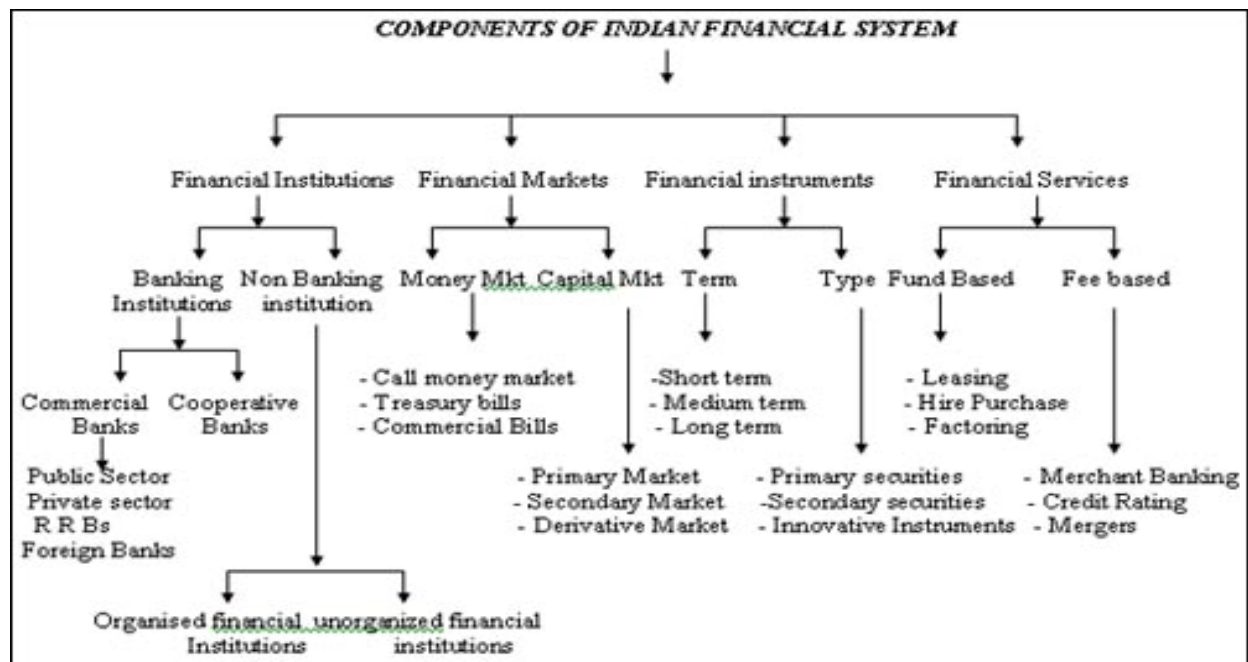


cent in 2010 as per IMF. India's GDP growth is projected at 7.8 per cent in 2011 and 7.5 per cent in 2012 compared to 10.1 per cent in 2010.

One of the paths through which such a slowdown in growth would be expected to happen is trade. World Trade Volume (goods and services) is expected to grow slower at 7.5 per cent in 2011 and 5.8 per cent in 2012 from the 12.8 per cent achieved in 2010 (which was due to high base effect with negative growth of -10.7 per cent in 2009). However, trade in developing countries is still expected to be very strong: while import growth of advanced countries is projected at 5.9 per cent for 2011 and fall to 4.0 per cent in 2012, for emerging and developing economies it is projected at 11.1 per cent and 8.1 per cent, respectively. India's recent trade performance has been extremely robust, surpassing pre-crisis export levels and pre-crisis export growth trends. This is better than export growth of most other competitor countries, in comparative terms, thanks in large part to timely policy interventions and market diversification.

Indian Financial Sector

The financial sector in India is characterized by liberal and progressive policies, vibrant equity and debt markets and prudent banking norms. India's financial sector has been one of the fastest growing sectors in the economy. India has a financial system that is regulated by independent regulators in the sectors of banking, insurance, capital markets etc. Public Sector (Government owned) banks account for majority of the banking assets; however, Indian private banks and foreign banks are growing at a rapid pace. Most of the global players in banking & financial services have presence in India. The Indian financial sector attributes its growth to technology upgradation, consolidation of large broking houses, and evolution of e-broking business, growth in retail segment, regulatory reforms, diversified asset instruments and foreign investment participation. There is huge growth potential in the Indian financial sector. This is evident from the fact that less than 1% of population trades in the market as compared to 25% in the developed economy. The opportunities in the sector are huge as financial intermediaries have not restricted themselves to equity broking business. They have de-risked their business by diversifying into emerging opportunities in the last couple of years. They have ventured into commodity broking business which emerged from a small contribution towards revenue to major growth engine for many companies. Companies have also forayed into wealth management, investment banking, mutual funds and insurance business. They are also looking into areas like forex trading which would further de-risk their business model. The business areas covered under the Indian Financial Sector is displayed in the chart below:





Capital Market

Indian capital market offers the following functions:

- Investment Advisory
- Equities and Derivatives
- PMS
- Commodities
- Private Equity
- Currency
- Fixed Deposit
- Depository Services
- Research
- Insurance and Mutual Fund
- IPO

India has a transparent; highly technology enabled and well regulated stock / capital market. A vibrant, well developed capital market facilitates investment and economic growth. Capital market achieves one of the most important functions of channeling idle resources to productive resources or from less productive resources to more productive resources. The capital market transactions today involve lots of checks and balances with efficient electronic trading and settlement systems. Today the stock markets are buoyant and have a range of players including mutual funds, FIIs, hedge funds, corporate and other institutions. Domestic savings and capital inflows are channelized in the capital markets. The flow of resources in the securities market depends on the depth and efficiency of the markets, robust risk management system, attractiveness of securities and the ability of the users of capital to attract resources. In addition to the introduction of new products, an endeavor was made to strengthen the existing products which had not gained momentum. Notable among them were the corporate bonds and interest rate futures. The securities market is endeavoring to make equity finance available for small and medium enterprises. In this regard, SEBI has permitted setting up of a stock exchange or trading platform for SMEs by stock exchanges having nationwide trading terminals. In addition to this, various initiatives have been taken by SEBI to strengthen the corporate governance among the listed companies. In a major move aimed at bringing in more accountability and enhancing investor participation, the government has made it mandatory for all listed companies, other than listed public sector enterprises (PSEs), to raise public shareholding to 25%; listed PSEs must maintain public shareholding of at least 10%. Any listed company which falls short of these prescribed limits on the commencement of the Securities Contracts (Regulation) (Amendment) Rules, 2010, shall increase its public shareholding to the stipulated level within a period of three years.

In a recent initiative on the regulatory front, a Financial Stability and Development Council (FSDC) has been created to strengthen and institutionalize the mechanism for maintaining financial stability and monitoring macro prudential supervision of the economy. The Government in the budget 2010-11 announced the setting up of the Financial Sector Legislative Reforms Commission (FSLRC) with a view to rewrite and clean up financial-sector laws to bring them in tune with the requirements of the sector. The remit of the commission will be to review, simplify, and rewrite legislation focusing on broad principles. It will evolve a common set of principles for governance of financial-sector regulatory institutions. The Commission will also examine the case for greater convergence of regulation and will streamline the regulatory architecture of financial markets.

In addition to setting up new regulatory commission, the regulators have been proactively introducing various discussion papers, committee reports on some pressing issues in the Indian securities market.

The initiatives discussed above have not only transformed the landscape of the securities market, but also contributed to its growth. It can be seen that during the decade, there has been a significant rise in the market capitalization ratio, turnover ratio and traded value ratio.

Securities and Exchange Board of India (SEBI) regulates the Indian capital markets. There are 25 exchanges (including active and non active exchanges) in the country, which offer screen based trading system. The trading system is connected using the VSAT technology. BSE is one of the oldest exchanges in Asia. National Stock Exchange (NSE) is third largest exchange in the world in terms of number of trades. These exchanges constitute an organized market for securities issued by the Central and State Governments, public sector companies and public limited companies. The stock exchanges provide an efficient and transparent market for trading in equity, debt instruments and derivatives. The stock exchanges are demutualised, and have been converted into companies now, in which brokers only hold minority share holding. Indian exchanges are entering into cross border agreements with overseas exchanges for introducing their



products on their trading platform. In March 2010, NSE and Chicago Mercantile Exchange (CME) had announced cross-listing arrangements. Under the cross-listing arrangements, the S&P CNX Nifty Index (Nifty 50), the leading Indian benchmark index representing 22 sectors of the Indian economy, has been made available to CME for the creation and listing of U.S. dollar denominated Nifty futures contracts for trading on CME. Keeping in view the increased integration of global markets, the market regulator allowed Indian stock exchanges to extend their trade timings from 9:55 a.m.-3:30 p.m. to 9:00 a.m.-3:30 p.m.

In addition to the SEBI Act, the Securities Contracts (Regulation) Act, 1956 regulates the stock markets.

Some of the fundamental changes that fuelled rapid pace of market growth was the introduction of electronic trading (secondary markets), allowing foreign ownership (FII's) of shares, permitting Indian companies to raise capital from abroad (ADRs/GDRs), expansion in the product range (equities, commodity, currency, derivatives and debt), book building process and transparency in IPO issuance, T+2 settlement cycle, dematerialization of shares and internet trading (e-broking). These changes resulted in dramatic growth of the stock markets in India as well as the equity broking firms. The broking industry is emerging as a rapidly growing segment in Indian finance, in terms of business growth, distribution & network and enterprise value.

Our markets went through a period of unusual liquidity squeeze with its attendant impact on interest rates, foreign exchange rates, and mutual funds. Broking companies, whose fortunes are closely linked to the markets, had a tough time till early 2009. This was due to the fear of loss of business given the drop in trading volumes as well as participation by investors and traders. The securities markets in India and abroad witnessed recovery during later half of 2009. This was reflected in the rising market capitalisation of stock exchanges of emerging and developing countries. The market capitalisation of the emerging markets increased to 28.3% of world total market capitalisation in 2009, up from 25.9% in 2008. The market value of emerging markets increased by 48.8% in 2009. United States which accounted for 30.9% of the world total market capitalisation in 2009 registered a rise of 28.4% in its market capitalisation. However, things have improved as liquidity was restored through aggressive steps (stimulus package) by the Central Bank and Government; and the markets as well as trading turnover have more than doubled but neither the emerging countries nor the developed economies were able to surpass the levels of growth witnessed in market capitalisation and turnover during the year 2007.

Capital market comprises of two segments- primary market (new issues, offer for sale) and secondary market (trading of stocks). There are two major types of issuers who issue securities. The corporate entities issue mainly debt and equity instruments (shares, debentures, etc.), while the governments (central and state governments) issue debt securities (dated securities, treasury bills).

Primary Market

Primary markets create a flow of new securities to the securities market. This is achieved through public offerings of debt or equity or a composite structure of debt and equity to the investors. Here the issuer of securities raises the funds to meet its fund requirements.

Primary market offerings could either be in the form of public offerings or private placements. The issuers here could include corporates, Government, municipal corporations and in some cases existing shareholders and institutional investors offering their securities for sale.

The product offerings by intermediaries in the primary markets include management of IPOs of issuers, mobilization of resources from retail and institutional investors, private placement of issues, debt syndications etc.

Intermediaries in the primary market include merchant bankers, registrars and brokers.

During the year 2010-11, the resources raised through Public Issues, Rights Issues, QIP and Preferential Allotments and Non-Convertible Debentures on NSE are summarized in the table below:



Particulars	No. of Issues	Amount	Amount
		(₹ cr.)	(US \$ mn.)
Equity Public Issues			
IPOs	51	33,390.93	7,478.37
FPOs	4	13,043.88	2,921.36
IDR issue	1	2,486.34	556.85
Rights Issues	18	8,414.06	1,884.45
QIP	48	23,020.64	5,155.80
Preferential Allotment	279	29,042.05	6,504.38
Non-Convertible Debentures			
Public Issue	7	8,881.53	1,989.14
Total	408	118,279.43	26,490.35

Source: NSE Factbook 2011

Secondary Market

Secondary markets provide a medium of exchange and enable investors to trade in the securities. An efficient securities market distinguishes financial investments from various forms of other illiquid investments. Stock Exchanges provide the platform and the mechanism for effecting transactions between different market participants. Secondary market comprises of trading in equities, bonds and derivatives. The depth of the market is determined by number of factors such as liquidity of the instruments traded, number of market participants, types of instruments traded, settlement practices etc.

According to data released by the market regulator Securities and Exchange Board of India (SEBI), FIIs transferred a record US\$ 17.46 billion in domestic equities during the calendar year 2009. This FII investment in 2009 proved to be the highest ever inflow in the country in rupee terms in a single year, breaking the previous high of US\$ 14.96 billion parked by foreign fund houses in domestic equities in 2007. FIIs infused a net US\$ 1.05 billion in debt instruments during the said period. In March 2010, the net investment of US \$ 6,465 million by FIIs was the highest monthly net investment in 2009-10. The total net investment by FIIs in 2009-10 stood at US \$ 30,253 million and it continued to flourish in the first-half of 2010-11 at US \$ 19,250 million with September 2010 clicking net investment of a mammoth US \$ 7,100 million. As on March 31, 2011 FII invested ₹ 1,29,363.30 crores in the equity markets and ₹ 52,281.80 crores in the debt segment.

As on March 31, 2011 the number of companies listed at NSE is 1574. The trading volumes on NSE have been witnessing phenomenal growth over the past decade. The trading volume, which peaked 2007-08, fell substantially in 2008-09. However, the total trading volumes on the exchange saw a turnaround in the subsequent years and the trading volume doubled in the year 2010-11 as compared to 2008-09. This is evident in the table below:

Particulars	(₹ in crores)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Market Capitalisation	48,58,122	28,96,194	60,09,173	67,02,616	60,96,518
Gross Turnover					
Cash	35,51,038	27,52,023	41,38,024	35,77,412	28,10,892
Derivatives	1,30,90,478	1,10,10,482	1,76,63,665	2,92,48,221	3,13,49,732

Source: NSE



As on March 31, 2012 the number of scrips listed at BSE are 7910. The BSE Sensex rose from 9,709 at end-March 2009 to 16,811 on October 23, 2009, showing an increase of 73.1% during 2009-10. Significantly, a persistent inflow of overseas money also helped the BSE benchmark Sensex to regain 18,000-level in July 2010, after struggling to scale the same for 30 long months. The table below shows the growth in volume traded in BSE:

(₹ in crores)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Market Capitalisation	51,38,014	30,86,076	60,79,892	68,39,084	62,09,535
Gross Turnover	1,57,87,855	1,00,074	13,78,809	11,03,466	6,67,022

Source: BSE

Wholesale Debt Market Segment (WDM)

In the WDM segment, all government securities, state development loans and treasury bills are 'deemed' listed as and when they are issued. All eligible debt securities whether publicly issued or privately placed can be made available for trading in the WDM segment. Amongst other requirements, privately placed debt papers of banks, institutions and corporates require an investment grade credit rating to be eligible for listing.

The listing requirements for securities at NSE on the WDM segment are presented below:

Issuer	Eligibility Criteria for listing	
Corporates (Public limited companies and Private limited companies)	<ul style="list-style-type: none"> • Paid-up capital of ₹ 10 crores; or • Market capitalisation of ₹ 25 crores (In case of unlisted companies Networth more than ₹ 25 crores) • Credit rating 	
Public Sector Undertaking, Statutory Corporation established/ constituted under Special Act of Parliament /State Legislature, Local bodies/ authorities,	<ul style="list-style-type: none"> • Credit rating 	
Mutual Funds: Units of any SEBI registered Mutual Fund/scheme : <ul style="list-style-type: none"> • Investment objective to invest predominantly in debt or • Scheme is traded in secondary market as debt instrument 	<ul style="list-style-type: none"> • Qualifies for listing under SEBI's Regulations 	
Infrastructure companies <ul style="list-style-type: none"> • Tax exemption and recognition as infrastructure company under related statutes/regulations 	<ul style="list-style-type: none"> • Qualifies for listing under the respective Acts, Rules or Regulations under which the securities are issued. • Credit rating 	
	Public Issue	Private Placement
Financial Institutions u/s. 4A of Companies Act, 1956 including Industrial Development Corporations	Qualifies for listing under the respective Acts, Rules or Regulations under which the securities are issued.	Credit rating
Banks	<ul style="list-style-type: none"> • Scheduled banks • Networth of ₹ 50 crores or above • Qualifies for listing under the respective Acts, Rules or 	<ul style="list-style-type: none"> • Scheduled Banks • Networth of ₹ 50 crores or above • Credit rating



Issuer	Eligibility Criteria for listing	
	Regulations under which the securities are issued.	

Source: NSE Factbook 2011

As per NSE Factbook 2011 as at end March 31, 2011, 4,479 securities with issued capital of ₹ 36,31,587 crore (US \$ 8,13,345 million) The growth of securities available for trading on the WDM segment is presented in table below:

Securities	2010			2011		
	Number	Amount	Amount	Number	Amount	Amount
		(₹ cr.)	(US \$ mn.)		(₹ cr.)	(US \$ mn.)
Government Securities	1,461	2,472,978	547,846	1,508	2,840,182	636,099
T-Bills	54	137,500	30,461	54	140,418	31,449
PSU Bonds	795	161,904	35,867	852	191,542	42,899
Institutional Bonds	299	77,568	17,184	361	103,973	23,286
Bank Bonds	518	164,385	36,417	518	182,616	40,900
Corporate Bonds	992	133,428	29,559	1,166	169,337	37,925
Others	21	3,117	690	20	3,518	788
Total	4,140	3,150,880	698,024	4,479	3,631,587	813,345

Source: NSE Factbook 2011

Equity Broking

As the Indian capital markets continue to evolve, they are undergoing rapid consolidation driven by increased trading volumes, increased regulation, customer sophistication, availability of better technology and increased back-office requirements. As a result, significant changes have been introduced to strengthen risk management systems. Changes in the regulatory framework and settlement mechanics have resulted in smaller operating players losing market share, leading to consolidation in the industry.

Market consolidation is even more pronounced in the on-line trading category where the top five brokers control a very significant share in the market. The rapid growth in on-line trading volumes can be attributed to the growing sophistication of retail investors, availability of reliable internet connectivity and the sophistication of the internet trading products.

At the end of March 2011, a total number of 387 members were permitted to allow investor's web based access to NSE's trading system. The members of the exchange in turn had registered 56,40,513 clients for web based access as on March 31, 2011. During the year 2010-11, 10.70 % of the trading value in the Capital Market segment was routed and executed through the internet. The table below shows the growth of internet trading from the fiscal year 2006-07:

Source: NSE Factbook 2010



Year	Enabled Members*	Registered Clients*	Internet Trading Volume	Internet Trading Volume	% of total trading volume
			(₹ cr.)	(US \$ mn.)	
2006-07	242	2,279,098	337,524	77,432	17.35
2007-08	305	4,405,134	668,399	167,225	18.82
2008-09	349	5,627,789	692,789	135,974	25.17
2009-10	363	5,143,705	921,380	204,116	11.13
2010-11	387	5,640,513	765,271	171,393	10.70

Insurance Sector

The Insurance sector in India has been traditionally dominated by state owned Life Insurance Corporation and General Insurance Corporation and its four subsidiaries. Government of India has now allowed FDI in insurance sector up to 26%, which has seen a number of new joint venture private companies entering the life and general insurance sectors, and their market share is rising at a rapid pace. IRDA is the regulatory authority in the insurance sector developed under the provisions of the Insurance Regulatory and Development and Authority Act, 1999.

Mutual Funds

The Indian mutual fund industry is one of the fastest growing sectors in the Indian capital and financial markets. The mutual fund industry in India has seen dramatic improvements in quantity as well as quality of product and service offerings in recent years.

Almost all varieties of schemes are offered today. The Mutual fund industry operates in a strict regulatory environment and conforms to the best international standards. Association of Mutual Funds in India (AMFI) is a trade body of all the mutual funds in India. It is a non-profit organisation set-up to promote and protect the interests of mutual funds and their unit holders. SEBI is the regulator of the mutual fund industry in India.

Mutual Funds also played a big role in surmounting the financial crises that rocked the world economy in the previous fiscal. As more and more investors are looking for alternative instruments the industry grew in size.

Table below indicates AUM and folios - category wise - aggregate - as on September 30, 2011

Types of Schemes	Investor Classification	AUM (₹ Cr)	% to Total	No of Folios	% to Total
Liquid/Money Market	Corporates	96385.44	75	18154	9.1
	Banks/FIs	25633.67	19.95	623	0.31
	FIIIs	978.31	0.76	16	0.01
	High Networth Individuals*	4683.81	3.64	19403	9.72
	Retail	827.15	0.64	161343	80.86
	Total		128508.36	100	199539
Gilt	Corporates	2323.86	76.93	2786	10
	Banks/FIs	15.59	0.52	35	0.13
	FIIIs	0	0	0	0
	High Networth Individuals*	538.5	17.83	2464	8.84



Types of Schemes	Investor Classification	AUM (₹ Cr)	% to Total	No of Folios	% to Total
	Retail	142.64	4.72	22582	81.03
	Total	3020.59	100	27867	100
Debt Oriented	Corporates	175681.54	57.72	140624	3
	Banks/FIs	6998.82	2.3	1452	0.03
	FIIIs	1095.41	0.36	24	0
	High Networth Individuals*	100772.01	33.11	315785	6.73
	Retail	19821.69	6.51	4232133	90.24
	Total	304369.45	100	4690018	100
Equity Oriented	Corporates	18259.51	10.29	208849	0.54
	Banks/FIs	2228.56	1.26	3550	0.01
	FIIIs	1048.16	0.59	74	0
	High Networth Individuals*	36526.54	20.58	378732	0.98
	Retail	119447.66	67.29	38104156	98.47
	Total	177510.42	100	38695361	100
Balanced	Corporates	2028.48	12.28	15500	0.56
	Banks/FIs	44.16	0.27	74	0
	FIIIs	6.51	0.04	3	0
	High Networth Individuals*	6237.82	37.76	52823	1.9
	Retail	8204.45	49.66	2715400	97.54
	Total	16521.39	100	2783800	100
Gold ETF	Corporates	4176.39	51.03	5599	1.31
	Banks/FIs	21.83	0.27	15	0
	FIIIs	2.98	0.04	4	0
	High Networth Individuals*	1762.54	21.54	10361	2.42
	Retail	2220.66	27.13	412790	96.27
	Total	8184.39	100	428769	100
ETFs(other than Gold)	Corporates	496.5	26.68	14484	11.52
	Banks/FIs	231.95	12.46	21	0.02
	FIIIs	80.08	4.3	22	0.02
	High Networth Individuals*	692.98	37.24	3115	2.48
	Retail	359.5	19.32	108070	85.97
	Total	1861.01	100	125712	100



Types of Schemes	Investor Classification	AUM (₹ Cr)	% to Total	No of Folios	% to Total
Fund of Funds investing Overseas	Corporates	439.17	17.22	2986	1.35
	Banks/FIs	2.87	0.11	9	0
	FIIIs	0	0	0	0
	High Networth Individuals*	1216.35	47.68	9187	4.15
	Retail	892.5	34.99	209172	94.5
	Total	2550.91	100	221354	100
	Grand Total	642526.52		47172420	

* Defined as individuals investing ₹ 5 lakhs and above

Non Banking Finance Companies

Non Banking Finance Companies (NBFCs) have played a crucial role in broadening the access to financial services, enhancing competition and in the diversification of the financial sector. NBFCs are increasingly being recognized complementary to the banking system, capable of spreading risks at times of financial distress.

NBFCs are recognized as an integral part of the financial system with an impetus to improve the credibility of the entire sector. Today, NBFCs are present in the competing fields of vehicle financing, hire purchase, lease, personal loans, working capital loans, consumer loans, housing loans, loans against shares, investments, distribution of financial products, etc. The total numbers of NBFCs registered with the RBI in India in March 31, 2011 were more than 12,400.

Debt Markets

The debt market in India consists of mainly two categories—the government securities or the G-Sec markets comprising central government and state government securities, and the corporate bond market. In order to finance its fiscal deficit, the government floats fixed income instruments and borrows money by issuing G-Secs that are sovereign securities issued by the Reserve Bank of India (RBI) on behalf of the Government of India. The corporate bond market (also known as the non-Gsec market) consists of financial institutions (FI) bonds, public sector units (PSU) bonds, and corporate bonds/debentures.

The G-secs are the most dominant category of debt markets and form a major part of the market in terms of outstanding issues, market capitalization, and trading value. It sets a benchmark for the rest of the market. The market for debt derivatives have not yet developed appreciably, although a market for OTC derivatives in interest rate products exists. The exchange-traded interest rate derivatives that were introduced recently are debt instruments; this market is currently small, and would gradually pick up in the years to come.

In 2010–2011, the government and the corporate sector collectively mobilized ₹ 7,851,973 million (US \$ 175,856 million) from the primary debt market, a decrease of 3.73 percent compared to the preceding year's numbers (refer Table below). About 74.32 percent of the resources were raised by the government (the central and the state governments), while the balance was mobilized by the corporate sector through public and private placement issues. The turnover in the secondary debt market in 2010–2011 aggregated ₹ 72,274,164 million (US \$ 1,618,682 million), 14.82 percent lower than that in the previous fiscal year.



Issuer/Securities	Amount raised from Primary Market		Turnover in Securities Market	
	(₹ Mn.)		(₹ Mn.)	
	2009-10	2010-11	2009-10	2010-11
Government	62,36,190	58,35,210	8,43,37,567	7,06,82,541*
Corporate/Non Government	19,19,902	20,16,763	14,42,484	15,91,623
Total	81,56,092	78,51,973	85,78,0050	7,22,74,164

* includes NDS-OM turnover

Source: NSE- ISMR (Indian Securities Market – A Review) - Volume XIV 2011

Investment Banking

With the strong growth in the economy, Indian companies have grown profits rapidly and have increased the scale of their operations. At the same time, their requirements for capital have increased as has their demand for increasingly sophisticated methods of funding, need for strategic advisory services related to mergers, acquisitions and restructurings, and need for risk management solutions.

Indian companies have been increasingly raising funds from both domestic and international equity and equity linked and international debt capital markets. In addition, the pace of private equity activity has accelerated over the past few years. As private equity investing in India has gained momentum, the size and nature of investments has also evolved, increasingly moving from smaller start-up and early stage funding to later stage growth capital investments. There has also been a significant increase in merger and acquisition (“M&A”) activity by Indian companies in recent years.

Industry Outlook

Post-Lehman, the impact of the global financial crisis unfolded in the Indian financial markets, through reversal of capital inflows and significant correction in the domestic stock markets on the back of sell-off in the equity market by the Foreign Institutional Investors (FIIs). The withdrawal of funds from the Indian equity markets and reduced access of the Indian entities to raise funds from the international markets put significant pressure on the dollar liquidity in the domestic foreign exchange market. These developments created adverse expectations on the balance of payments (BoP) outlook leading to downward pressures on the Indian rupee and increased volatility in the foreign exchange market.

The year 2010-11 was marked by periods of volatility and tranquility in the Indian financial markets. Global uncertainties as well as domestic developments impacted Indian financial markets. The Indian markets, however, remained largely orderly, despite the challenges posed by persistent inflation and high current account deficit.

The normalization of monetary policy of the Reserve Bank so far has been conditioned by the changing growth-inflation dynamics characterized by robust acceleration in growth and increasing generalization of inflation. With concerns about the recovery receding, increasing risks of generalised inflation indicate that monetary policy has to continue the calibrated normalization process.

However, the global financial crisis has exposed areas of vulnerability in the Indian financial sector and policy initiatives are underway to strengthen financial stability. With a view to addressing the issues, various international bodies, national supervisors and policymakers are engaged in instituting various reform measures at the global and at the national levels. The Reserve Bank has been actively pursuing the development of various segments of the financial market. In the recent period, financial inclusion has also been recognised as a key objective of policy.

The Indian financial services industry has experienced significant growth in the last few years. There has been considerable broadening and deepening of the Indian financial markets due to various financial market reforms undertaken by the regulators, the introduction of innovative financial instruments in recent years and the entry of sophisticated domestic and international players.



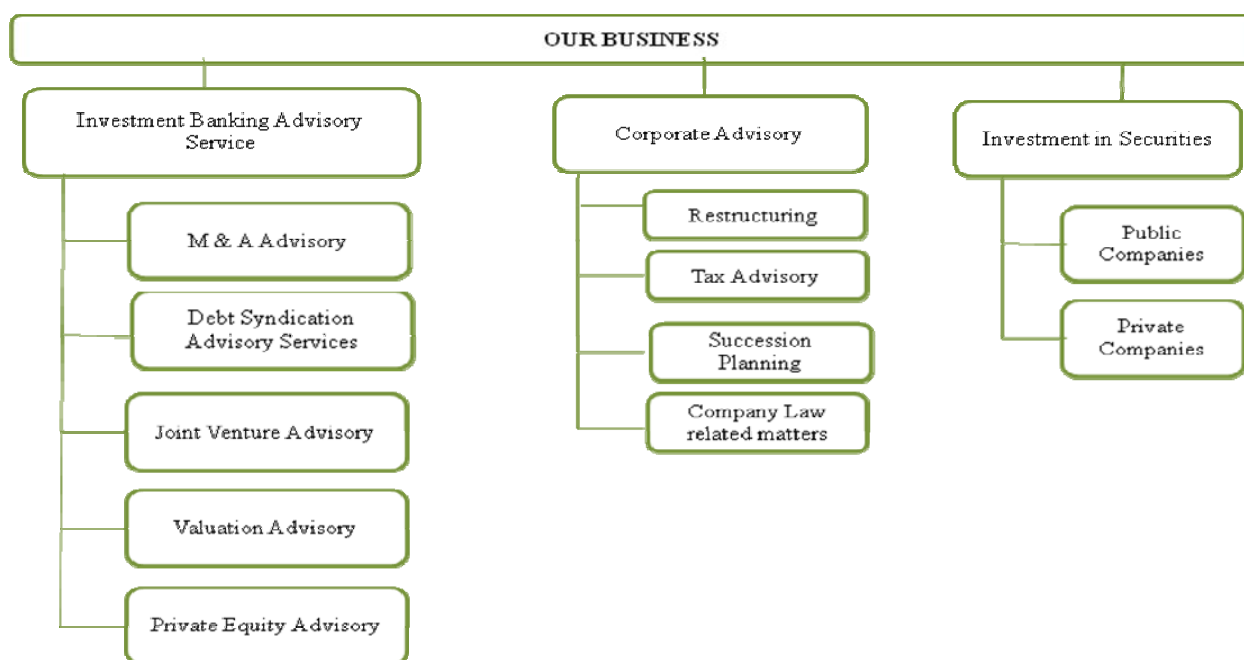
Strong economic growth, favourable demographics, increased geographic penetration, growth of small and medium enterprises and the increasing needs for capital among Indian corporations are expected to continue to drive India's financial services industry.



BUSINESS OVERVIEW

Our Company is engaged in the business of providing diversified financial services with a primary focus in assisting small and medium enterprises (SMEs) in corporate and non-corporate sector in their financial planning, corporate restructuring and fund syndication requirements. We are also engaged in the business of investing in shares and other securities by leveraging our disciplined investment approach developed by our in-house experienced senior management team. We have our registered office in Mumbai, from where we carry out the businesses of investment banking advisory, corporate advisory and investing and trading in shares / debentures / bonds of public / private companies.

The various business segments we operate in and services offering under each head can be classified as follows:



Our understanding of the difficulties of SMEs in raising adequate funds at competitive costs or of complying with the stringent and dynamic regulatory regimes and other corporate structure related problems has helped us to focus on customized solutions for our clients and hence helped create a long lasting mutually beneficial working relationship with them. We have strong relationships with corporates as well as all major public sector banks, private sector banks, financial institutions and private equity funds. We have also focused on syndicating private equity for small and mid-sized corporates.

Our Competitive Strengths

1. Strong Management Team backed by Experienced Promoters:

We have a strong management team comprising of Chartered Accountants, Company Secretary, and Management Graduates who have together between them several years of experience in capital markets and financial services industry. Our Managing Director Mr. Gauri Shankar Bajaj has almost 17 years of experience in capital markets. We believe that their strong technical experience and industry networks will help us in achieving our key business strategies. Our existing business presence and existing elite clientele in advisory and consultancy business will further increase our opportunities in expanding our Company's investment portfolio.

For further details regarding the experience and qualifications of our management and promoters please refer to the sections titled "Our Management", "Our Promoters" and "Our Promoter Group" beginning on pages 110, 125 and 130 of this Draft Prospectus respectively.



2. Diversified and balanced mix of services

We offer a wide range of financial services to our clients. Our services offerings include investment banking advisory, corporate advisory and Investments/trading in listed / unlisted securities and financial products. For a company looking to raise funds, we can syndicate various types of financing like equity, project finance, term loan, working capital finance, etc. For a company looking to grow inorganically, we provide advisory services for mergers and acquisitions, joint ventures, etc. in addition to these corporate advisory services, we provide advisory on tax and company law related advisory, restructuring advisory, etc. We continue to explore opportunities to build new businesses and widen our product portfolio to include products and services that are related to our current offerings, where we can leverage our existing expertise. We believe that our presence in diverse lines of business across asset classes and industry enables us to reduce risks arising from service and client concentration. We believe in maintaining a balanced mix between our various services.

3. Research Backed Decision Making

Our research based approach is focused on identification of growth stage investment opportunities and assessing the fair value of such businesses. We leverage our understanding of the industry in assessing value of the company. We employ a top-down analysis, which begins with an analysis of the overall market and ends with the individual company. We use various valuation methodologies like discounted cash flow and comparative valuation techniques to evaluate fair value of businesses. We target to achieve comfort from methods of traditional referencing and client leadership team assessment. Further, our investment banking and advisory businesses will help us better recognize investment opportunities if any within our clients and their peer companies and we believe this unique synergy will help make better investment decisions.

4. Continuous Business Possibilities due to our Current Clientele

Our Company has till date provided advisory and consultancy services to various companies including but not limited to well known groups such as All Services Global, Haldiram Group, Mukund Group and others. Going forward, our current relationship and clientele with existing clients will help generate future revenue as well as open up possibilities for new businesses through cross references. We hence, believe that these relationships provide us with an edge in sourcing and executing more deals for a growing clientele.

5. One-stop shop for SMEs

We focus on SMEs and serve these companies throughout the course of their growth. These SMEs gradually evolve into larger enterprises thereby enabling us offer them a larger bouquet of services including complex structured products viz. mergers and acquisitions (including cross border), international fund raising and off market capital raising. We provide an array of services to our clients. We have a team of professionals who cater to our clients by providing financial advisory services. This helps us in providing a one stop shop solution to our clients and also reinforces our commitment towards them.

6. Strong relationships with investors / lenders

We have raised funds for our clients across a broad range of businesses and industry segments. We have been associated with lenders and investors for a long term. We believe that our strong relationships with investors / lenders will enable us to continue to grow our business. We showcase our clients to these lenders / investors, based on their investment philosophy and their return and risk profiles which has enabled us to generate repeat business.



Business Strategies

1. Focus on Small and Medium Enterprises (SME)

We mainly cater to the financial needs of the SME clients. We believe that an SME needs much more attention and professional support than large enterprises. Our focus is to partner in the growth of a company from an SME to a large corporate. We believe in holding hand of an SME, whereby we address all its financial and strategic requirements of growing business. We believe to build a strong relationship with an SME. Once a relationship is established, it leads to repetitive business in various forms.

2. Continue to maintain a diversified service portfolio to cater to most of the customer needs and demands

We continuously attempt to introduce new services that provide clients access to a range of financial services to suit their varied needs. We intend to continue the strategy of maintaining a diversified service portfolio to preserve our uniqueness and competitive advantage. Maintaining a diversified range of services not only allows us to mitigate the risk associated with over dependence on a few sources of revenues but it also allows us to cross sell the services to the customers.

3. Maintain and expand long term Relationship with Clients

The Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time. The Company believes that a long term client relationship with large clients fetches better dividends. The Company intends to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary to the Company's business and are likely to enhance its opportunities. We seek to build on existing relationships and also focus on increasing our client base. We plan to expand our business primarily by increasing the number of client relationships, as we believe that increased client relationships will add stability to our business. We constantly remain in touch with clients and tap new clients through various means including and not limited to database mining, referrals from clients, lenders, practicing Chartered Accountants, etc. We also seek to offer our clients, diversified products and services to increase our per capita revenues by selling different products to the same client.

4. Further strengthen the Brand Name

We intend to further increase the brand recognition through brand building efforts, communication and various promotional initiatives, like participation in industry events, public relations and investor relations efforts. The same would enhance the visibility of our brand name and enhance our position and image in the industry. This is also in line with the fact that once we are a listed company on the BSE SME Exchange our visibility will further improve.

5. Attracting and retaining the quality professionals

Our people are our most important asset, and it is their reputation, talent, integrity and dedication that results in our success. We have been successful in attracting and retaining key professionals and intend to continue to look for talent to further enhance and grow our business. We offer a highly entrepreneurial culture with a strong, team-based approach that we believe is motivating to our employees. Additionally, we believe that becoming a publicly traded company will further enable us to offer attractive stock-based incentives to talented professionals, which will aid our recruitment effort and our retention of key employees.



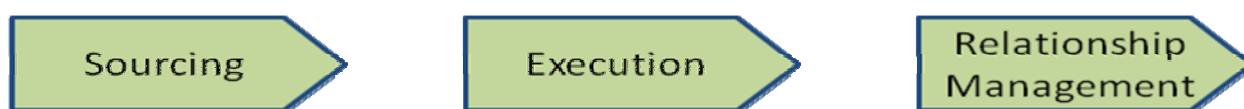
DETAILS OF OUR BUSINESS

Location

Our Company operates from its Registered office located at 33/34, 3rd Floor, Printing House, 28-D, Police Court Lane, Fort, Mumbai. There are no branch offices of our company currently.

Business Process

Business process consistency is the primary requirement to ensure the rapid execution of processes, to adhere to the better service quality and compliance requirements. Consistency of processes becomes more important since we operate in competitive market. We follow a process which allows us to define our products, processes and systems in such a way that we are able to meet the customer requirement in the best possible manner. Our business model can be broadly divided into three processes as below:



The details of each process are as follows:

1. Sourcing

We focus on both direct as well as indirect client sourcing. Our sourcing and client acquisition can be through any of the following sources:

Direct Client Acquisition: Through our marketing process, we reach our prospective clients. We source business through various modes including existing database, state / region directory, internet search, calling, etc.

Through Referrals: Our existing clients refer their contacts / associates. We also get referrals from our existing relationships with banks and other investors.

Before taking any mandate, we do intensive study of the proposed transaction. Through this exercise, we assess a proposal on certain pre-determined criteria. An assignment is accepted only when we are satisfied about executability of the proposal.

2. Execution

Success in any market especially in case of financial advisory services firms stems from differentiation of services provided, ability to provide new products and services, quality of customer services and responsiveness to change. All these characteristics can only be achieved if one can have a robust execution model and therefore, process execution is the most important part of the process. We have execution teams for each of our business offerings to take care of proposals.

Our execution process includes:

- Having a reference check done – To further ensure quality of proposal, we may take references of client from different sources, including existing lender, customer, competitor, supplier of client, employees etc. before logging-in the proposal with the lenders.
- Analysis of proposal in detail – We conduct a requisite due diligence process Preparing documents required executing the transaction – We prepare the information memorandum about the transaction, which includes details about the client, group, products, services, their customers, financials, transaction brief, etc.



- Preparation of financial model – We assist the client in preparation of the financial model for the proposed transaction.
- Identification of lender or investor– Identification of the right lender or the investor is a critical part of the transaction. Identification depends upon facts and parameters of each transaction and certain standard parameters including size of transaction, time frame, nature of transaction, etc. We have a database of private equity funds and based on our relationships with the bankers and other lenders, we shortlist the prospective lenders’ or investors’ list for the transactions we are working upon.
- Meeting prospective lenders or investor – Initially, we send the brief details about the transactions to the prospective lenders. Thereafter, if interest shown by the prospective lender in pursuing the transaction further, then we meet them and discuss the proposal in more detail. Later on, we also organize the meeting of the management of our client and the prospective lenders or investors.
- Negotiations and Term Sheet signing – We assist the client in the negotiations with the prospective investors and on the terms to be executed at the term sheet stage.
- Investor due diligence and Sanction letter – We provide all possible assistance and documents to the Investor team for the conduct of their due diligence. In addition, we also provide clarifications to the queries of the prospective investor/ lender.
- Signing of Definitive agreements and disbursement of funds – We assist the client in complying with the terms of the definitive agreements so as to get the early disbursement of funds from the prospective lenders.

3. Relationship Management

Relationship with Lenders/ Investors: The last leg of our business process is maintaining relationship with existing customers and lenders / investors. We remain in touch with the lenders and investors at all levels either through written communication or meetings, whether or not any proposal is pending with them. We maintain a database of lenders / investors on pan India basis, which helps us to put the proposal with right lenders / investors. This ultimately results in speedy execution of proposal. Over the period, we have developed relationships with various private equity funds/investors or lenders or bankers and understood their appetite in terms of deal size, industry, structuring and expected returns etc. This helps in referring the proposal to the right funds leading to a quicker execution of proposal.

Relationship with Corporate Clients: We believe that our focus on nurturing long-term relationships with companies, and serving these companies through the course of their development, has enabled us to form strong relationships with these clients, resulting in repeat business. Our dedicated focus on client servicing and our ability to provide ongoing and innovative solutions, enable us to establish long-term relationships with corporates. We focus on SMEs and serve these companies through the course of their growth. We believe that our capability to offer innovative solutions in line with the market condition helps in clinching the deals.

Details of our Service Offerings

A. Investment Banking Advisory Services:

a) M & A Advisory

Our merger and acquisition advisory team provides financial advice pertaining to mergers, acquisitions, divestments, strategic alliances and de-mergers. Our services encompass strategy formulation, identification of buyers or targets, valuation, negotiations and bidding, capital structuring, transaction structuring and execution.

b) Debt Syndication Advisory Services

We focus on syndicating debt for the corporate, short term as well as long term in the forms as discussed below. The process of debt syndication requires detailed knowledge base combined with the strong relationship with banks and other financial institutions along with efficient analytical ability to bring to the clients the best deal in the shortest time. We fulfill client’s funding needs for green field projects, brown field projects, expansions and modernization projects through conventional and non-conventional debt products. The solutions differ from corporate to corporate based on the nature of business, current/future requirement, industry, capital structure, financial health, etc. We facilitate debt for our



clients at the most competitive interest rates, make strategies for interest rate optimization and provide other related advisory services. Our fee is typically a percentage of the amount syndicated. Following are the range of services or product offering under Debt Syndication.

i. Project Finance Syndication

Project finance is a kind of loan syndication wherein the repayment is made from the cash flows generated from the project, including the project's assets, rights, and interests are held as collaterals. It can be for green field or brown field projects. We help the client in syndicating project finance on the optimum structure and provide ancillary services with relation to the same, including preparation of project report, financial model, etc.

ii. Syndication of Working Capital Loans

We focus on syndicating finances for the working capital needs of corporates, including fund based and non fund based through various sources of financing at competitive interest rates. We also suggest to our clients a better mix of working capital financing options. There are basically two types of limits under working capital loans:

- Fund based limit is financial assistance that involves disbursement of funds. Fund based limits are provided in the form of cash credit facility, overdraft facility, bill discounting, working capital demand loan, etc.
- Non Fund Based Limits is financial assistance wherein there is no disbursement of funds and is fee based facility provided by the bank to support the working capital cycle. Non fund based limits are provided in the form of Letter of Credit, Bank Guarantees, Acceptances, etc.

iii. Syndication of Term Loans

Term loans are asset based loans provided for a term normally ranging between 1 to 7 years payable in pre-determined number of installments over the tenure of the loan. Term loans generally provide for acquiring income producing assets (machinery, equipment, etc) that generate the cash flows for repayment of the loan. We focus on arranging term loan at competitive rate of interest and structure the same in the best interest of the corporate.

c) Joint Venture Advisory

We offer joint venture advisory services to all firms and companies to help companies expand their operations. We analyze the viability of the joint venture alliance and offer a complete report with the possibilities, advantages, and risks associated with the proposed plan. All the services including joint venture governance, decision making, performance reporting, associated fees, evaluation of possible risks, asset management, exist mechanisms, negotiations, and finalizing the deals are all offered in qualitative manner and time.

d) Valuation Advisory

We advice on valuation of business, enterprises, shares, assets, brand, etc. which may be required for transactions like merger, demerger, amalgamation, acquisition, takeover, etc.

e) Private Equity Advisory

Offering advisory services for raising private equity capital or venture capital funding was the genesis of our investment banking business and remains an area of focus for us. We syndicate seed and growth financing from private equity and venture capital fund. .



B. Corporate Advisory

This vertical can be further broken down as follows:

a) Restructuring

Services rendered under corporate restructuring include work related to amalgamation, reconstruction, reorganization and winding up of companies. These include:

- Mergers, acquisitions and demergers
- Reduction of Share Capital
- Voluntary liquidation/liquidation and winding up of companies by court
- Procedural formalities in relation to issue of ESOP and ESOS
- Assisting listed companies to raise money from domestic markets through preferential issues.

b) Tax Advisory

Our advisory services help businesses optimize taxes which will ensure compliance in a dynamic environment. The ranges of services provided by us are:

Direct Tax

- Compliance services
- Litigation services
- Advisory services
- Support for M&A transaction

Indirect tax

- Service Tax
- Value Added Tax

c) Succession Planning

We advise in succession planning advisory, which helps the client to select talented manpower and provide required education, so that they can handle bigger responsibilities in the near future. By succession planning, our clients can build “bench strength”. Moreover, a skilled and qualified team can be developed, which will occupy important position in the organization.

Our succession planning advisory services include:

- Family re-organization
- Succession planning consulting
- Helping to establish efficient succession structures

d) Company Law related matters

- Advisory services for company law matters
- Compliance & filing of forms & returns under Companies Act

C. Investments and trading in listed / unlisted securities and financial products

We undertake investment and trading in listed / unlisted securities and financial products. Such investments may be strategic or non-strategic for short term or long term depending upon the capital market condition including but not limited to macroeconomic indicators, management profile of issuer companies, and industry scenarios. Securities include shares, debentures, bonds, warrants, options, mutual funds, exchange traded funds, gold exchange traded funds or any other financial instruments in which we may invest through market, preferential, private allotments, or other such routes



in public or private companies, which may include strategic investments. The company relies on the expertise of its management team, self evaluation criteria for our investment strategy and trading in securities.

Since, we are in the business of providing financial and corporate advisory, our domain knowledge from such business activities coupled with the experience of our promoters and senior management in the capital markets helps us identify and explore various investment and trading opportunities in Indian markets.

Since more than 50% of our current revenue is derived from our advisory business and not from fund based business, we are currently not required to obtain registration as an NBFC with the RBI for carrying on the investment and trading activities. However, we shall obtain the necessary registration as Non-Banking Finance Company from Reserve Bank of India, as and when it becomes applicable.

Human Resources

As of March 31, 2012, we have 11 people on our payroll. The permanent employees include personnel engaged in management, administration, marketing, and operations. Our employees are not covered by collective bargaining agreements. We have not experienced any employee action and believe that our relationship with our employees is cordial.

Insurance

The Company has not taken any insurance cover at present. The Company will work towards taking insurance coverage to such amounts that will be sufficient to cover all normal risks associated with its operations and is in accordance with the industry standard.

Competition

All aspects of our business are intensely competitive. Our competitors are other financial advisory firms. Many of our competitors have significantly greater financial, technical, marketing and other resources than those available to us. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of our people, market focus and the relative quality and price of our services and products. In recent years there has been substantial consolidation and convergence among companies in the financial services industry. This trend toward consolidation and convergence has significantly increased the capital base and geographic reach of many of our competitors. Many of our competitors have the ability to offer a wider range of products and services that may enhance their competitive position. Competition is also intense for the recruitment and retention of qualified professionals. Our ability to continue to compete effectively in our businesses will depend upon our continued ability to attract new professionals and retain and motivate our existing professionals.

Technology

We have not entered into any technical collaboration agreements with any party.

Collaborations / Joint Ventures

Our Company has not entered into any collaboration / joint venture agreement.

Freehold Property / Land

Our Company does not hold any freehold property / land as on the date of this Draft Prospectus.

Intellectual Property Rights

Our Company has filed an application dated April 13, 2012 bearing no. 2315286 before the Trade Marks Registry for registration of its name and logo  SANGAM ADVISORS LIMITED under Class 36. The application is pending



for registration.

Leasehold Properties

The details of the leasehold properties are as under:

Sr. No.	Location of Property	Property kind	Document and Date	Licensor	Key Terms of the Agreement	Consideration
1.	33/34, 3 rd Floor, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai – 400 001	Registered Office	Leave & License Agreement dated February 1, 2012	Ms. Kalpana R. Desai	<ul style="list-style-type: none">• The tenure of the agreement is for 11 months starting from February 1, 2012 and ending on December 31, 2012• Our Company shall not sublet the said premises.• The bills of the water, service charges, society maintenance and municipal taxes of the said premises shall be payable by the Licensor.• Either party to this agreement can terminate the agreement either with one month's advance notice or one month's rent in lieu thereof, after April 30, 2012	₹ 20,000/- per month



KEY INDUSTRY REGULATIONS AND POLICIES

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

We are engaged in the business of providing varied financial advisory services. We may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see "Government Approvals" on page 164 of this Draft Prospectus.

Shops and Establishments Legislations

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Laws relating to Intellectual Property

The Trade Marks Act, 1999 and the Copyright Act, 1957 amongst others govern the law in relation to intellectual property, including brand names, trade names and service marks and research works.

Other regulations

In addition to the above, the Company is required to comply with the provisions of the following legislations and other applicable statutes for its day-to-day operations.

The Companies Act, 1956

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

FEMA Regulations

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the 'automatic route' within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.



Income-tax Act, 1961

The Income Tax Act, 1961 deals with the taxation of individuals, corporates, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses.

Service Tax

Chapter V of the Finance Act 1994 (as amended), and Chapter V-A of the Finance Act 2003 requires that where provision of certain Listed services, whole taxable services exceeds ₹ 10,00,000, a service tax with respect to the same must be paid. Every person who is liable to pay service tax must register himself for the same.

NBFC Regulations

In terms of section 45-I(f), a non-banking financial company means a non-banking institution which is a company and which has its principal business the receiving of deposits under any scheme or arrangement or in any manner, or lending in any manner. Amendments to NBFC Regulations vide the Circular No. DNBS (PD) C.C. No. 81/03.05.002/2006-07 dated 19-10-2006, it is further clarified that the company will be treated as an Non-Banking Financial Company (NBFC), if its financial assets are more than 50 percent of its total assets (netted off by intangible assets) and income from financial assets are more than 50 percent of the gross total income. Both these tests are required to be satisfied as the determinant factor for principal business of the company.

Since more than 50% of our current revenue is derived from our advisory business and not from fund based business, we are currently not required to obtain registration as an NBFC with the RBI for carrying on the investment and trading activities. However, we shall obtain the necessary registration as Non-Banking Finance Company from Reserve Bank of India, as and when it becomes applicable.

Insider Trading

The company has been investing in securities from time to time based on its discretion exercised from the business point of view and considering the market situations coupled with fundamentals of the Investee Company. The Company has complied with SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time governed the law with respect to insider trading in India.



HISTORY AND CERTAIN CORPORATE MATTERS

Our History and Background

Our Company was incorporated as Sangam Advisors Private Limited on June 22, 1999 under the Companies Act, bearing Registration No. 120470 of 1999 having its Registered Office at Mumbai, Maharashtra, India. Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of our Company at the Extraordinary General Meeting held on November 15, 2011. The fresh Certificate of Incorporation consequent to change of name as a result of conversion to a public limited company was issued on November 18, 2011 by the Registrar of Companies, Mumbai, Maharashtra. The Company's Corporate Identity Number is U74140MH1999PLC120470.

Our Company was originally promoted by Mr. Bhanwarlal Toshniwal, Ms. Deepa Toshniwal and Ms. Neelam Toshniwal who were the original subscribers to the Company's Memorandum and Articles of Association in the year 1999. In 2010, the Company was taken over by M/s. Giza Estates Private Limited. For details on change in control of the issuer, date of acquisition & consideration paid for acquisition by our current promoter please refer table titled "*Capital Built up of the Promoter*" on page 48 of chapter titled *Capital Structure* beginning on page 44.

Changes in the Registered Office of the Company

Our company has changed its registered office on various occasions from time to time. The details of the same are as under:

Year	From	To
2003	Room No. 25, 47 Shanti Bhawan, Old Hanuman Lane, Mumbai-2	Room No. 23, 2nd Floor, Sunder Bhawan, 31st AnandWadi, Bhuleshwar, Mumbai-2
2005	Room No. 23, 2nd Floor, Sunder Bhawan, 31st AnandWadi, Bhuleshwar, Mumbai-2	704/7a, Spring Leaf, Lokhandwala, Kandivali, Mumbai-101
2010	704/7a, Spring Leaf, Lokhandwala, Kandivali, Mumbai-101	Room No. 3, 2nd Floor, Rustom Building, 29 V N Road, Fort, Mumbai-1
2011	Room No. 3, 2nd Floor, Rustom Building, 29 V N Road, Fort, Mumbai-1	308, Sharda Sadan, 11 S A Brelvi Street, Fort, Mumbai-1
2012	308, Sharda Sadan, 11 S A Brelvi Street, Fort, Mumbai-1	33/34, 3 rd Floor, Printing House, 28D Police Court Lane, Behind Old Handloom House, Fort, Mumbai – 400 001

Capital raising (Debt / Equity)

For details of the equity capital raising of our Company, please refer to the section titled "Capital Structure" on page 44 of this Draft Prospectus.

We have not done any debt issuances or raised any long term debt since incorporation till date. As of the date of this Draft Prospectus, the Company has 7 holders of Equity Shares.

Main Objects of our Company

The Main Objects of our Company, as set out in its Memorandum of Association are:

- To undertake and carry out the business of consultancy services of all kinds and descriptions and in all branches and kinds and to carry on the business of financial consultancy, managers to Issue of shares, debentures, bonds, and securities, Investment counseling, portfolio management, providing financial and investment assistance, syndication of financial arrangement whether in domestic market or international market, handling of mergers and*



amalgamation, assisting the setting up of technology tie-ups, foreign currency lending and services to Non-Resident Indians.

2. *To carry on the business and profession of consultants and advisors of and services in the field of legal, financial, commercial, management, secretarial, taxation, technical and other areas.*

2A. To carry on in India or abroad the business of merchant banking, underwriting, Project consultancy, insurance brokers, real estate brokers, distribution of third party products like fixed deposits, mutual funds, debentures, bonds, government securities, and or advising on acquisitions, joint ventures, mergers, amalgamation, demerger, takeover, collaboration, introduction of new financial instruments and or undertaking real estate joint venture, investment, planning and or Syndication of Inter Corporate deposits, project financing, vehicle financing, working capital, term loan, or any kind of fund raising instrument related to debt or equity and or to do business of buy, sell, trade, exchange, deal, barter, swap, borrow, lend, assure, underwrite, guarantee, syndicate, arrange, give comfort for pledge, hypothecate, charge, mortgage, procure for or arrange placement of or otherwise engage in trade and investment instruments of all kinds and types, whether securities or not, including shares, stocks, securities, debentures, bonds, cumulative, convertible preference shares certificates of deposits, commercial paper, participation certificates, bills of exchange, letter of credit, promissory notes, cheques, whether negotiable or not, currencies, all kind of units, coupons, warrants, options and such other derivatives, issued or to be issued by Companies/ governments, corporations, Mutual Fund , banks, co-operative firms, organizations, mutual benefit societies in India or abroad and trade in either as principal, banker, agent, dealer, stockiest, trader, consignee or any other capacity and to acquire membership, dealership, directorship, licenses, permits, registration or such other positions in and of stock, share, securities, debt, foreign exchange, currencies, credit, such other associations, exchanges, organization and bourses etc.

The Main Objects clause and the Objects incidental or ancillary to the Main Objects of our memorandum enable us to undertake activities for which funds are being raised through this Issue. The existing activities of our Company are in accordance with the Objects clause of our Memorandum of Association.

Changes in Memorandum of Association

Date of Resolution	Changes in Memorandum of Association
March 7, 2000	Alteration in Capital Clause Increased from 10,000 Equity Shares of ₹ 10/- each aggregating to ₹ 1 lakh to 2,00,000 Equity Shares of ₹ 10/- each aggregating to ₹ 20 lakhs.
April 16, 2004	Alteration in Capital Clause Increased from 2,00,000 Equity Shares of ₹ 10/- each aggregating to ₹ 20 lakh to 3,00,000 Equity Shares of ₹ 10/- each aggregating to ₹ 30 lakhs.
February 23, 2010	Alteration in Capital Clause Increased from 3,00,000 Equity Shares of ₹ 10/- each aggregating to ₹ 30 lakh to 5,00,000 Equity Shares of ₹ 10/- each aggregating to ₹ 50 lakhs.
March 25, 2011	Alteration in Capital Clause Increased from 5,00,000 Equity Shares of ₹ 10/- each aggregating to ₹ 50 lakh to 40,00,000 Equity Shares of ₹ 10/- each aggregating to ₹ 400 lakhs.
November 15, 2011	Alteration in Capital Clause Increased from 40,00,000 Equity Shares of ₹ 10/- each aggregating to ₹ 400 lakh to 70,00,000 Equity Shares of ₹ 10/- each aggregating to ₹ 700 lakhs.
	Alteration in Object Clause



Date of Resolution	Changes in Memorandum of Association
	New Clause 2A added vide Special Resolution by the members in the EOGM held on November 15, 2011.
	Change of Name Change of name from Sangam Advisors Private Limited to Sangam Advisors Limited. Fresh Certificate Of Incorporation consequent to change of name to Sangam Advisors Limited issued by RoC dated November 18, 2011.

Key Events and Milestones of Our Company

Year	Milestone
1999	Incorporation as “Sangam Advisors Private Limited
2010	The management of the Company was taken over by Giza Estates Private Limited
2011	Bonus Issue in the ratio of 3.5:1
2011	Conversion of the Company into a Public Limited Company

Total Number of Shareholders in our Company

As on the date of this Draft Prospectus, our Company has 7 shareholders.

Injunctions or restraining orders

Our Company is not operating under any injunction or restraining order.

Shareholders Agreements

Except as mentioned below there are no shareholders agreements involving our Company to which either our Promoters or our Company is a party as on the date of the Draft Prospectus.

Our Company entered into a share swap agreement dated March 31, 2011 with Bikaner Wooltex Private Limited (Transferor) (earlier known as Frontline Synthetics Pvt. Ltd.) for acquisition of 54500 equity shares of RGF Capital Market Limited worth ₹ 1,88,80,000/- owned by the transferor and taking over the entire ownership and legal rights of these shares by issuance of 18,80,000 equity shares of ₹ 10/- each fully paid-up in our Company.

Acquisition of business/undertakings

We have not acquired any business/undertakings till date.

Other Agreements

As on the date of this Draft Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered into more than two years before the date of this Draft Prospectus.

Strategic Partners

Our Company does not have any strategic partners.



Financial Partners

Our Company does not have any financial partners.

Our Subsidiaries

Our Company does not have any subsidiary as on the date of this Draft Prospectus.



OUR MANAGEMENT

Under our Articles of Association, we are required to have not less than 3 directors and not more than 12 Directors. As on the date of the Draft Prospectus, our Company has six directors on the Board.

The following table sets forth the details regarding our Board of Directors as on the date of filing of the Draft Prospectus:

Sr. No.	Name, Designation, Age, Father's Name, DIN, Address, Occupation of Director and Nationality	Date of Appointment and Term	Other Directorships	Details of current and past Directorship(s) in listed companies.
1.	<p>Mr. Madan Sanghi</p> <p>Designation: Chairman and Independent Director</p> <p>Age: 65 years</p> <p>Father's name: Mr. Vishnukumar Sanghi</p> <p>DIN: 05204402</p> <p>Address: 6, Floor 2, PL-19, Siddhivinayak Apts. CHS Ltd., Jogeshwari Society Road – 2, Jogeshwari – East, Mumbai – 400 060</p> <p>Occupation: Profession Nationality: Indian</p>	<p>February 21, 2012</p> <p>Term: Liable to retire by rotation</p>	Nil	<p>Whose shares have been/were suspended from being traded on BSE/NSE- Nil</p> <p>Which have been/were delisted from the Stock Exchanges– Nil</p>
2.	<p>Mr. Gauri Shankar Bajaj</p> <p>Designation: Managing Director</p> <p>Age: 47 years</p> <p>Father's name: Mr. Jethmal Bajaj</p> <p>DIN: 02079820</p> <p>Address: Flat No. 1704, Tower No. 1, Green Ridge Tower CHS Ltd., Chikuwadi, Link Road, Borivali – West, Mumbai – 400 092</p> <p>Occupation: Business Nationality: Indian</p>	<p>Appointed as Director on August 3, 2010.</p> <p>Reappointed as Managing Director w.e.f. February 3, 2012</p> <p>Term: 5 years, from February 3, 2012 to February 2, 2017</p>	<ul style="list-style-type: none"> • Vishal India Processors Private Limited • Giza Estates Private Limited 	<p>Whose shares have been/were suspended from being traded on BSE/NSE- Nil</p> <p>Which have been/were delisted from the Stock Exchanges– Nil</p>



Sr. No.	Name, Designation, Age, Father's Name, DIN, Address, Occupation of Director and Nationality	Date of Appointment and Term	Other Directorships	Details of current and past Directorship(s) in listed companies.
3.	<p>Mr. Ravindra Kadam</p> <p>Designation: Executive Director</p> <p>Age: 51 years</p> <p>Father's name: Mr. Dhaku Kadam</p> <p>DIN: 01502049</p> <p>Address: 6, Ashok Dharma, Ceaser Road, Andheri – West, Mumbai – 400 058</p> <p>Occupation: Service</p> <p>Nationality: Indian</p>	<p>Reappointed as Executive Director on September 16, 2010</p> <p>Term: Liable to retire by rotation</p>	Nil	<p>Whose shares have been/were suspended from being traded on BSE/NSE- Nil</p> <p>Which have been/were delisted from the Stock Exchanges– Nil</p>
4.	<p>Mr. Anil Patodia</p> <p>Designation: Executive Director</p> <p>Age: 33 years</p> <p>Father's name: Mr. Devidutt Patodia</p> <p>DIN: 05207436</p> <p>Address: 4, Prem Kunj Co-op. Housing Society Limited, Vinayak Nagar Road, Bhayander – West, Thane– 401 101</p> <p>Occupation: Service</p> <p>Nationality: Indian</p>	<p>February 21, 2012</p> <p>Term: Liable to retire by rotation</p>	Nil	<p>Whose shares have been/were suspended from being traded on BSE/NSE- Nil</p> <p>Which have been/were delisted from the Stock Exchanges– Nil</p>
5.	<p>Ms. Sarika Lahoti</p> <p>Designation: Non-Executive Director</p> <p>Age: 26 years</p> <p>Father's name: Mr. Vijay Kabra</p>	<p>August 3, 2010</p> <p>Term: Liable to retire by rotation</p>	<p>• Giza Estates Private Limited</p>	<p>Whose shares have been/were suspended from being traded on BSE/NSE- Nil</p> <p>Which have been/were delisted from the Stock Exchanges– Nil</p>



Sr. No.	Name, Designation, Age, Father's Name, DIN, Address, Occupation of Director and Nationality	Date of Appointment and Term	Other Directorships	Details of current and past Directorship(s) in listed companies.
	DIN: 03476077 Address: 407, Sanjivani Tower, Opp. Muthoot Finance Office, B. P. Road, Bhayander – East, Thane – 401 105 Occupation: Business Nationality: Indian			
6.	Mr. Ashok Kumar Khajanchi Designation: Independent Director Age: 48 years Father's name: Mr. Gulabchand Khajanchi DIN: 01532044 Address: 302-A, Poonam Darshan Apt., Navghar Road, Bhayandar – East, Thane – 401 105 Occupation: Business Nationality: Indian	February 21, 2012 Term: Liable to retire by rotation	<ul style="list-style-type: none"> Chamunda Products and Solutions Limited 	Whose shares have been/were suspended from being traded on BSE/NSE- Nil Which have been/were delisted from the Stock Exchanges- Nil

Brief Profile of our Directors

1. Mr. Madan Sanghi, Chairman and Independent Director

Mr. Madan Sanghi, 65 years is the Non-Executive Chairman and Independent Director of our Company. He is a resident Indian national. He has been appointed as the Chairman of our Company vide resolution passed in Board meeting dated February 21, 2012. He is a commerce graduate from Nagpur University, a L.L.B. from Nagpur University and Chartered Accountant from Institute of Chartered Accountants of India. He has a vast industry experience, having worked in several positions in chartered accountants firm. He has handled profiles of finance, legal accounts and administration at corporates. He has over four decades of industrial and professional experience. He brings with him a vast knowledge of accounts, audit, taxation and company law matters. He is associated with our Company since February, 2012.



2. Mr. Gauri Shankar Bajaj, Managing Director

Mr. Gauri Shankar Bajaj, 47 years is the Managing Director of our Company. He is a resident Indian national. He is a commerce graduate from Rajasthan University. He started his career in the year 1986 as accounts personnel at the cloth merchant firm. Thereafter, he was promoted to marketing and sales personnel in the same firm. In 1994, he left the job and ventured in the business of capital market. He became the sub-broker for the share broking business of the BSE and NSE through a registered broker Skyes & Ray Equities Private Limited. He has over 17 years of experience in the field of capital markets. With such vast experience and entrepreneurial skill, he has played a key role in the growth of our Company coupled with his inputs on strategic planning and business development. He has been associated as a Director of our Company since August, 2010 and is actively involved in the business development and corporate relationship functions of our Company. Apart from business, he is also involved in various social activities.

3. Mr. Ravindra Kadam, Executive Director

Mr. Ravindra Kadam, 51 years is an Executive Director of our Company. He has over 3 decades of industry experience having worked in various administration departments of companies such as Girish Dye Works Pvt. Ltd and Intensive Group. He has been associated as a Director of our Company since September, 2010 i.e. after the change in management of our company and has been actively involved in the day-to-day administration of the Company.

4. Mr. Anil Patodia, Executive Director

Mr. Anil Patodia, 33 years is an Executive Director of our Company. He is a pursuing Chartered Accountant, having passed his C.A. intermediate examinations in 1998. He did bachelor in commerce from University of Rajasthan in 1996. He has over 10 years of experience in the field of auditing, accountancy and taxation. In his previous employments at several chartered accountants' firm, he has worked on several assignments of internal audit, statutory audit and tax audit and advised on matters relating to taxation and company law matters. With such vast experience coupled with his inputs on corporate advisory, he plays a key role in the growth of our Company. He is associated with our Company since February, 2012.

5. Ms. Sarika Lahoti, Non-Executive Director

Ms. Sarika Lahoti, 26 years is a Non-Executive Director of our Company. She is the promoter of our Promoter Company Giza Estates Private Limited. She has completed second year in Bachelor of Arts (B.A.) from Kota in the year 2003. She has worked as Marketing Executive with ARP Texfin Enterprises. Thereafter, she started her own business under the name and style of "Plush Hospitality" as sole proprietorship firm dealing with all hospitality related business. She discontinued this business from March 2012. She is associated with our Company since August, 2010.

6. Mr. Ashok Kumar Khajanchi, Independent Director

Mr. Ashok Kumar Khajanchi, 48 years is a Non-Executive and Independent Director of our Company. He is a Law graduate and has completed his L.L.B. from Dungar College (Autonomous), Bikaner in the year 1990. After becoming a commerce graduate from University of Rajasthan in the year 1985, he did his masters in commerce from University of Rajasthan in the year 1987. He has over a decade of experience in marketing and manufacturing of textiles and readymade garments. He also has over 5 years experience in the Capital Markets working as a Remisier with Joidre Capital Services Ltd. In 2010, he founded M/s. Chamunda Products and Solutions Ltd. in order to venture into the business of gold coin marketing. He is associated with our Company since February, 2012.

Confirmations

None of the above mentioned Directors are on the RBI List of willful defaulters as on date of filing the Draft Prospectus.

Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and persons in control of our Company have not been/are not debarred from accessing the capital market by SEBI.



There is no arrangement or understanding with major shareholders, customers, suppliers or other, pursuant to which any of the above mentioned Directors, were selected as director or as members of the senior management.

Our Directors have not entered into any service contract with our Company providing for benefits upon termination of employment.

None of our Directors are “relatives” within the meaning of Section 6 of the Companies Act.

Borrowing Powers of our Board of Directors

Pursuant to a Ordinary Resolution passed by our shareholders at the EGM held on February 27, 2012 and subject to the provisions of the Companies Act, 1956 and other laws in force, our Articles of Association authorize our Board of Directors our Board has been authorised, to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company on such terms and conditions as it may think appropriate, which together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) by a sum not exceeding ₹ 10 (Ten) Crores only.

We confirm that the borrowing powers of directors are in compliance with the relevant provision of the Companies Act, 1956.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled “*Main Provisions of the Articles of Association*” beginning on page 202 of the Draft Prospectus.

Remuneration / Compensation of Directors

A) Executive Directors

1) Mr. Gauri Shankar Bajaj

The remuneration of our Managing Director, Mr. Gauri Shankar Bajaj as per resolution passed in the meeting of the Board of Directors held on February 3, 2012 is detailed hereunder:

Salary	Salary ₹ 20,000 per month
Consolidated Allowance	Nil
Perquisites	Nil

2) Mr. Ravindra Kadam

The remuneration of our Director, Mr. Ravindra Kadam as per resolution passed in the meeting of the Board of Directors held on September 16, 2010 is detailed hereunder:

Salary	Salary ₹12,000 per month
Consolidated Allowance	Nil
Perquisites	Nil

3) Mr. Anil Patodia

The remuneration of our Director, Mr. Anil Patodia as per resolution passed in the meeting of the Board of Directors held on February 21, 2012 is detailed hereunder:



Salary	Salary ₹ 20,000 per month
Consolidated Allowance	Nil
Perquisites	Nil

Remuneration/Compensation to Managing Director/ Directors for the year ended March 31, 2012

(₹ in Lakhs)

Sr. No.	Name of the Director	Salaries & Perquisites	Total
1.	Mr. Gauri Shankar Bajaj	1.95	1.95
2.	Mr. Ravindra Kadam	1.44	1.44
3.	Mr. Anil Patodia	0.32	0.32
	Total	3.71	3.71

B) Non-Executive and Independent Directors

Commission to Non-Executive Directors

We do not pay any commission to any of our Non-Executive Directors.

Sitting Fees

The Board of Directors have accorded their approval for payment of sitting fee, in their meeting held on February 25, 2012 whereby the Non-Executive Directors of our Company would be entitled to a sitting fee of ₹ 1,000/- for attending every meeting of board or its committee thereof.

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, grant of stock options or benefits under any Keyman Insurance Policy taken by the Company.

Shareholding of the Directors including qualification shares, if any

As per the Article of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of Director of our Company. However, as on date of the Draft Prospectus, the following directors hold shares, details of which are as under:

Sr. No.	Name of Director	No. of Shares held	% of Pre- Issue Paid-up Share Capital
1.	Mr. Gauri Shankar Bajaj	21,000	0.55

These shares are held by the said Directors in their personal capacity and either as sole or first holder.

Interests of Directors

Our Directors will be interested to the extent of remuneration paid to them for services rendered by them as officers or employees of the Company and reimbursement of expenses payable to them under our Articles of Association

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them as disclosed above or that may be subscribed by and allotted to them and to companies and firms in which they are interested as directors/members/partners.

All our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by us with any company in which they hold directorships or any partnership firm in which they are partners.



Interest as to Property

Except as stated/referred to in the paragraph titled “*Property*” on page 102 of chapter titled “*Business Overview*” beginning on page 95 of the Draft Prospectus, our Directors do not have any interest:

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

Changes in the Board of Directors in the last three years

Name and Designation of Directors	Date of Appointment	Date of Cessation	Reasons
Mr. Gauri Shankar Bajaj Managing Director	August 3, 2010	-	Appointed as Executive Director
Ms. Sarika Lahoti Non-executive Director	August 3, 2010	-	Appointed as Non-Executive Director
Mr. Ravindra Kadam Non Executive Director	September 7, 2010	-	Appointed as Non-Executive Director
Mr. Ravindra Kadam Executive Director	September 16, 2010	-	Reappointed as Executive Director
Ms. Manju Lahoti Director	March 15, 2008	November 18, 2011	Resigned as Non-Executive Director
Mr. Gauri Shankar Bajaj Managing Director	February 3, 2012	-	Reappointed as Managing Director
Mr. Anil Patodia Executive Director	February 21, 2012	-	Appointed as Executive Director
Mr. Madan Sanghi Non-Executive & Independent Director	February 21, 2012	-	Appointed as Independent Director
Mr. Ashok Khajanchi Non-Executive & Independent Director	February 21, 2012	-	Appointed as Independent Director
Mr. Devaki Nandan Lahoti Director	January 18, 2005	February 21, 2012	Resigned as Director

None of our Director has been selected as Director or member of senior management pursuant to any agreement or understanding with major shareholders, customers or others.

Except as stated in the Draft Prospectus), none of our Directors have entered into any service contracts which would entitle them for any benefits upon termination of employment.

Corporate Governance

The provisions of the listing agreements, to be entered into by our Company with the Stock Exchanges, will be applicable to our Company immediately upon the listing of our Equity Shares with the Stock Exchanges. We have complied with the corporate governance code in accordance with Clause 52 (as applicable) of the listing agreement, particularly in relation to appointment of Independent Directors to our Board and constitution of the audit committee, shareholders’/ investors’ grievance committee and compensation committee. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 52 of the listing agreement. In addition, our Company intends to adopt a code of conduct for prevention of insider trading.



We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

- a) Audit Committee
- b) Shareholders'/ Investors' Grievance Committee
- c) Remuneration Compensation Committee
- d) IPO Committee

Composition of Board of Directors

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 52 of the Listing Agreement. Our Board has 6 Directors out of which 2 are independent Directors, and our Chairman is an Independent and Non-Executive Director and is not a Promoter of our Company in accordance with the requirement of Clause 52 of the listing agreement of the stock exchanges.

Board Structure

Name	Nature of Directorship
Mr. Madan Sanghi	Non-Executive & Independent Director (Chairman)
Mr. Gauri Shankar Bajaj	Managing Director
Mr. Ravindra Kadam	Executive Director
Mr. Anil Patodia	Executive Director
Ms. Sarika Lahoti	Non-Executive Director
Mr. Ashok Kumar Khajanchi	Non-Executive & Independent Director

Note: As per Clause 52 of the Listing Agreement,

Where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case he is an executive director, at least half of the Board should comprise of independent directors.

Provided that where the non-executive Chairman is a promoter of the company or is related to any promoter or person occupying management positions at the Board level or at one level below the Board, at least one-half of the Board of the company shall consist of independent directors.

Audit Committee

Our Company has constituted an Audit Committee, as per the provisions of Section 292A of the Companies Act. The constitution of the Audit Committee was approved at the Meeting of the Board of Directors on February 25, 2012. The committee functions as prescribed under Section 292A of the Companies Act, 1956 and Clause 52 of the listing agreement. The members of the committee at present are:

Name of Directors	Designation in Committee	Nature of Directorship
Mr. Madan Sanghi	Chairman	Non-Executive & Independent
Mr. Ashok Khajanchi	Member	Non-Executive & Independent
Mr. Gauri Shankar Bajaj	Member	Managing Director

Powers of the Audit Committee

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;



3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with reasonable expertise, if considered necessary.

The terms of reference of the audit committee are broadly defined as under:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Appointment, removal and terms of remuneration of internal auditors.
- e) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to the financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications in the draft audit report.
- f) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- g) Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- h) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- i) 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.
- j) Discussions with internal auditors on any significant findings and follow up thereon.
- k) Reviewing internal audit reports and adequacy of the internal control systems.
- l) 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.
- m) Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors
- n) Discussion with internal auditors any significant findings and follow up there on.
- o) 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.
- p) 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.
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- r) To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- s) Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.
- t) The Audit Committee shall have full access to financial and other allied information contained in the records of the Company and external professional advice, if necessary.



Meeting of Audit Committee and relevant quorum

The audit committee shall meet at least 4 times in a year and not more than 4 months shall elapse between 2 meetings. The quorum shall be either 2 members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of 2 Independent Directors, who are members, present.

Shareholders'/ Investors' Grievance Committee

Our Company has constituted a Shareholders'/Investors' Grievance Committee. The constitution of the Shareholders'/Investor' Grievance Committee was approved by a Meeting of the Board of Directors held on February 25, 2012. The committee is formed to specifically look into the redressal of shareholder and investor complaints. The members of the committee at present are:

Name of Director	Designation in Committee	Nature of Directorship
Mr. Ashok Khajanchi	Chairman	Non-Executive & Independent
Mr. Madan Sanghi	Member	Non-Executive & Independent
Mr. Anil Patodia	Member	Executive Director

The terms of reference of the Shareholders'/ Investors' Grievance Committee shall be as follows:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission 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.

Quorum for Shareholders' / Investors' Grievance Committee

The quorum necessary for a meeting of the Shareholders' / Investors' Grievance Committee shall be 2 members or one third of the members, whichever is greater.

Remuneration / Compensation Committee

Our Company has constituted a Remuneration/ Compensation Committee. The constitution of the Remuneration Compensation committee was approved by a Meeting of the Board of Directors held on February 25, 2012. The said committee is comprised as under:

Name of Director	Designation in Committee	Nature of Directorship
Ms. Sarika Lahoti	Chairman	Non-Executive
Mr. Madan Sanghi	Member	Non-Executive & Independent
Mr. Ashok Khajanchi	Member	Non-Executive & Independent

The terms of reference of the compensation committee are:

- To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);



2. 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, the 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.

Quorum for Remuneration Committee

The quorum necessary for a meeting of the Remuneration Committee shall be 2 members or one third of the members, whichever is greater.

IPO Committee

Our Company has constituted an IPO Committee. The constitution of the IPO Committee was approved by a meeting of the Board of Directors held on February 25, 2012. The said committee is comprised as under:

Name of Director	Designation in Committee	Nature of Directorship
Mr. Ravindra Kadam	Chairman	Executive Director
Mr. Gauri Shankar Bajaj	Member	Managing Director
Mr. Madan Sanghi	Member	Non-Executive & Independent

The terms of reference of the IPO Committee are:

- a) to decide on the actual size of the IPO, including any offer for sale by promoters/shareholders, and/or reservation for employees or shareholders of promoting companies or shareholders of group companies and/or any other reservations or firm allotments as may be permitted, timing, pricing and all the terms and conditions of the issue of the shares, including the price, and to accept any amendments, modifications, variations or alterations thereto;
- b) to appoint and enter into arrangements with the book running lead manager, co-managers to the issue, underwriters to the issue, syndicate members to the issue, advisors to the issue, stabilizing agent, brokers to the issue, escrow collection bankers to the issue, registrars, legal advisors to the Company, legal advisors as to Indian and overseas jurisdictions, advertising and/or promotion or public relations agencies and any other agencies or persons;
- c) to finalize and settle and to execute and deliver or arrange the delivery of the offering documents (the Draft Red Herring Prospectus, the Red Herring Prospectus, Final Prospectus (including the draft international wrap and final international wrap, if required, for marketing of the Issue in jurisdictions outside India), syndicate agreement, underwriting agreement, escrow agreement, stabilization agreement and all other documents, deeds, agreements and instruments as may be required or desirable in connection with the issue of shares or the IPO by the Company;
- d) to open one or more separate current account(s) in such name and style as may be decided, with a scheduled bank to receive applications along with application monies in respect of the issue of the shares of the Company;
- e) to open one or more bank account of the Company such name and style as may be decided for the handling of refunds for the Issue;
- f) to make any applications to the RBI, FIPB and such other authorities, as may be required, for the purpose of issue of shares by the Company to non-resident investors including but not limited to NRIs, FIIs, FVCI's and other non-residents;



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- g) to make applications for listing of the equity shares of the Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
 - h) to settle all questions, difficulties or doubts that may arise in regard to the Issue or allotment of shares as it may, in its absolute discretion deem fit; and
 - i) to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, or otherwise in relation to the Issue or any matter incidental or ancillary in relation to the Issue, including without limitation, allocation and allotment of the shares as permissible in law, issue of share
 - j) Certificates in accordance with the relevant rules.

Quorum for IPO Committee

The quorum necessary for a meeting of the IPO Committee shall be 2 members.

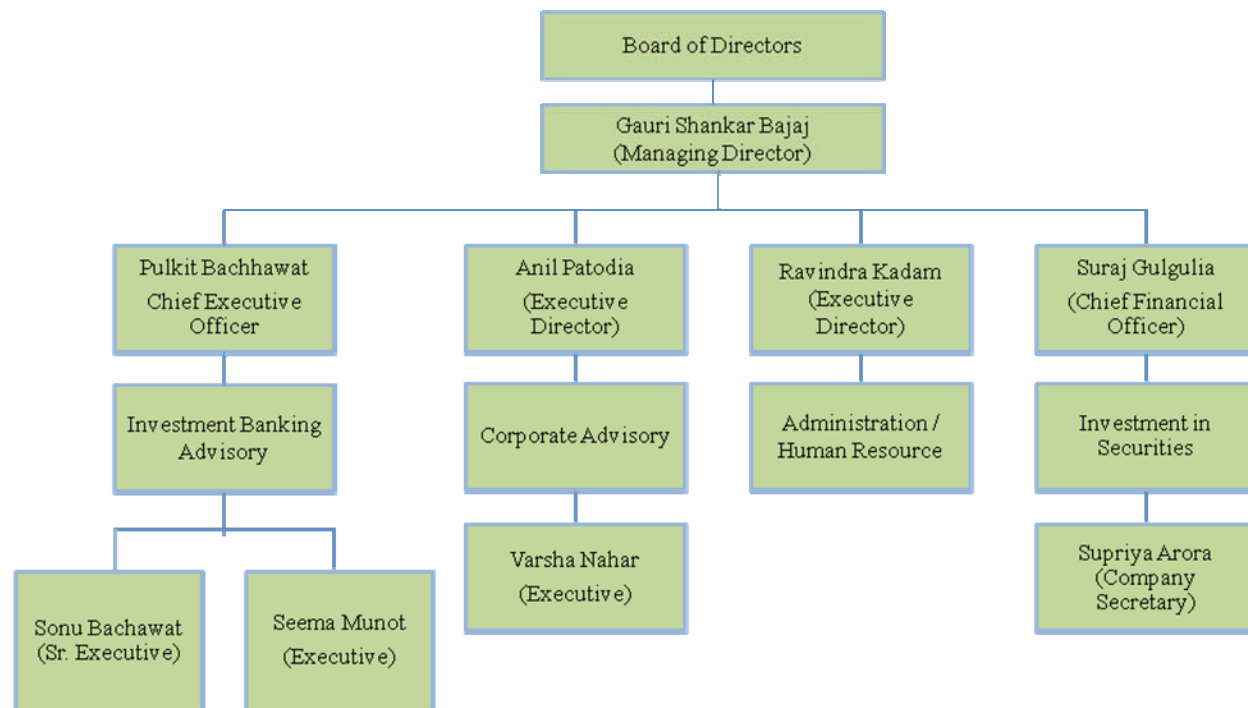
Policy on Disclosure and Internal procedure for prevention of Insider Trading

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's Equity Shares on the Stock Exchanges. Mr. Suraj Gulgulia, Chief Financial Officer and Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.



ORGANISATION CHART OF OUR COMPANY

As on the date of the Draft Prospectus, the following is the organization structure of our Company:



Our Key Managerial Personnel

Sr. No.	Name, Designation, Age, Qualification	Date of Appointment	Remuneration for FY 2012 (₹)	Experience in the Company	Previous Company and Total Experience
1.	Mr. Pulkit Bachhawat Designation: Chief Executive Officer Age: 22 years Qualification: Bachelor of Commerce (B. Com.), Chartered Accountant (C.A.)	April 1, 2012	-	1 month	Experience: 3 years and 6 months of compulsory training as per requirement of ICAI.
2.	Mr. Suraj Gulgulia Designation: Chief Financial Officer & Compliance Officer Age: 23 years Qualification: Bachelor of Commerce (B. Com.), Chartered Accountant (C.A.)	July 1, 2011	157,465	10 months	Experience: 3 years and 6 months of compulsory training as per requirement of ICAI.
3.	Ms. Supriya Arora Designation: Company	February 21, 2012	12,758	2 months	Past employers: M/s. Manish Jain



Sr. No.	Name, Designation, Age, Qualification	Date of Appointment	Remuneration for FY 2012 (₹)	Experience in the Company	Previous Company and Total Experience
	Secretary Age: 29 years Qualification: Bachelor of Commerce (B. Com.), Company Secretary (C.S.)				& Co., Company Secretaries Total Experience: 3 years
4.	Mr. Sonu Bachhawat Designation: Sr. Executive Age: 24 years Qualification: Bachelor of Commerce (B. Com.), Diploma in Financial Management	December 1, 2011	80,000-	5 months	Past employers: Savvy Securities Total Experience: 1 year and 6 months
5.	Ms. Varsha Nahar Designation: Executive Age: 37 years Qualification: Bachelor of Commerce (B. Com.)	April 1, 2011	4,00,000	13 months	Past employers: Sangam Exports Total Experience: 3 years
6.	Ms. Seema Munot Designation : Executive Age : 34 years Qualification : H.S.C.	April 1, 2011	5,50,000	13 months	Past employers: Intensive Softshare Private Limited Experience: 3 years

Shareholding of Key Managerial Personnel

None of the Key Managerial Personnel of our Company hold any shares of our Company as on the date of filling of the Draft Prospectus.

Bonus or Profit Sharing Plan for the key Managerial Personnel during last 3 years

Our Company does not have any bonus/profit sharing plan for any of the employees, directors, key managerial personnel.

Changes in the Key Managerial Personnel during last 3 years

Sr. No.	Name & Designation	Date of appointment	Date of Resignation	Reason
1.	Mr. Pulkit Bachhawat Chief Executive Officer	April 1, 2012	-	Appointment
2.	Ms. Supriya Arora Company Secretary	February 21, 2012	-	Appointment
3.	Mr. Sonu Bachhawat Sr. Executive	December 1, 2011	-	Appointment
4.	Mr. Suraj Gulgulia Chief Financial Officer	July 1, 2011	-	Appointment



Sr. No.	Name & Designation	Date of appointment	Date of Resignation	Reason
5.	Ms. Varsha Nahar Executive	April 1, 2011	-	Appointment
6.	Ms. Seema Munot Executive	April 1, 2011	-	Appointment

Notes:

All the Key Managerial Personnel mentioned above are on the payrolls of our company as the permanent employees.

There is no understanding with major shareholders, customers, suppliers or any others pursuant of which any of the above mentioned personnel have been recruited.

The Key Management Personnel mentioned above are not related parties as per the Accounting Standard 18.

Employees

The details about our employees appear under the Paragraph titled “*Human Resources*” beginning on page 102 of the Draft Prospectus.

ESOP/ESPS Scheme to Employees

Presently, we do not have ESOP/ESPS scheme for employees.

Payment or Benefit to our officers

Except for the payment of salaries and yearly bonus, we do not provide any other benefits to our employees.

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to/ in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

Relation of the Key Managerial Personnel with our Promoters/Directors

None of the Promoters/Directors of our Company have any relationship whatsoever, with any of our Key Managerial personnel.



OUR PROMOTER

The Promoter of our Company is Giza Estates Private Limited (GEPL).

Our Promoter GEPL currently holds 18,87,350 Equity Shares of our Company, which constitutes 49.68% of our Pre-Issue paid-up share capital. The Post –Issue shareholding of the Promoter will be 30.93%.

Details of our Promoter

GEPL was incorporated on August 7, 2008 as a private limited company under the Companies Act, 1956 as ‘Giza Estates Private Limited’ and was registered with the Registrar of Companies, Mumbai, Maharashtra.

The registered office of GEPL is situated at 17/19, Naviwadi, Ground Floor, Nand Bhawan, Dadi Seth Agyari Lane, Mumbai-400002.

Board of Directors of GEPL as on date of this Draft Prospectus is as follows:

Sr. No.	Name of Director	Designation
1.	Mr. Gauri Shankar Bajaj	Director
2.	Ms. Sarika Lahoti	Director

Natural Persons behind our Promoter GEPL:

The details of the natural persons who are in direct control of our Promoter, GEPL are as under.

Sr. No.	Name of Shareholders	No. of Shares	% of Shareholding
1.	Mr. Gauri Shankar Bajaj	1,11,000	65.29
2.	Ms. Sarika Lahoti	59,000	34.71
	Total	1,70,000	100.00

For profile of the above shareholders please refer to the chapter titled ‘Our Management’ beginning on page 110 of the Draft Prospectus.

Audited Financial Information of GEPL

The audited financial results of GEPL for fiscal 2011, fiscal 2010 and fiscal 2009 are set forth below:

(Amount in ₹)

Particulars	FY 2011	FY 2010	FY 2009
Equity Capital (Issued, Subscribed and Paid-up Capital)	17,00,000	1,00,000	1,00,000
Reserves and Surplus	64,06,297	(7,569)	(8,362)
Misc Expenditure not written off	-	14,756	18,445
Revenue	1,27,850	12,240	-
Profit/(Loss) after tax	13,867	793	(8,362)
Earnings per share	0.08	0.08	(0.84)
Net Asset Value per shares	47.68	7.77	7.32



Brief History and Background of GEPL:

Change in control of GEPL since incorporation:

The Company was originally promoted by Ms. Sarla Chedda and Ms. Dimple Chedda holding 5,000 equity shares each. In March 2010 Mr. Jagdish Raman and Mr. Om Prakash Lahoti took over the company with both holding 5,000 equity shares each. Mr. Jagdish Raman sold his 50% stake to Mr. Rinkesh Lahoti on 22.08.2010.

On 01.12.2011 Mr. Gauri Shankar Bajaj and Mrs. Sarika Lahoti acquired controlling stake in the company by purchasing the entire outstanding equity in the company from the then Promoters – Mr. Rinkesh Lahoti (5,000 shares) and Om Prakash Lahoti (5,000 shares) and also from the other investors, namely - Ranpriya Tradevin Pvt. Ltd. (20,000 shares), Satvichar Dealers Pvt. Ltd. (20,000 shares), Subhdeep Delecom Pvt. Ltd. (26,000 shares), Heaven Sales Pvt. Ltd. (35,000 shares) Confident Vanijya Pvt. Ltd. (19,000 shares) and Navgantuk Commercials Pvt. Ltd. (40,000 shares)

The present promoters of GEPL had acquired shares of GEPL from earlier promoters in Financial Year 2011-12 only. Compliance with SEBI (SAST) Regulations was not applicable since the shares of GEPL are not listed on any Stock Exchange in India.

Change in Directorship of GEPL in the preceding three years:


The changes in Board of GEPL in the preceding three years of the date of this Draft Prospectus are as follows:

Name of Director	Date of Appointment	Date of Resignation	Reason of Change
Sarla Kumudchandra Chheda	Upon Incorporation	27/04/2010	Resignation due to Change in Management
Dimple Jagdish Chheda	Upon Incorporation	27/04/2010	Resignation due to Change in Management
Jagdish Raman	20/03/2010	30/09/2010	Resignation due to sale of equity stake to Rinkesh Lahoti
Omprakash Lahoti	20/03/2010	01/11/2011	Resignation due to Change in Management
Rinkesh Lahoti	21/08/2010	01/12/2011	Resignation due to Change in Management
Gauri Shankar Bajaj	13/08/2011	-	Appointment
Sarika Lahoti	01/12/2011	-	Appointment




Profile of Promoters of GEPL

Mr. Gauri Shankar Bajaj

	Particulars	Details
	Name	Mr. Gauri Shankar Bajaj
	Age	47 years
	Educational Qualification	B. Com. (Rajasthan)
	Experience	25 years
	PAN No.	AADPB0640A
	Passport No.	H0236926
	Driving License No.	RJ-21/DLC/06/29250
	Voter ID	MT/10/054/0110122
	Bank Account No.	3733000100055278
	Name of Bank & Branch	Punjab National Bank, Borivali
	% of pre-issue shareholding in the company (Sangam Advisors Limited)	0.55%
	DIN	02079820

Ms. Sarika Lahoti

	Particulars	Details
	Name	Ms. Sarika Lahoti
	Age	26 years
	Educational Qualification	S.Y.B.A.
	Experience	6 years
	PAN No.	ACJPL5865F
	Passport No.	-
	Driving License No.	RJ-20/DLC/02/58024
	Voter ID	-
	Bank Account No.	3697
	Name of Bank & Branch	Sangli Urban Co-op. Bank, Fort
	% of pre-issue shareholding in the Company (Sangam Advisors Limited)	Nil
	DIN	03476077

For a detailed profile and information please refer to chapter titled 'Our Management' beginning on page 110 of this Draft Prospectus.

Other understandings and confirmations

We confirm that the PAN, bank account number, company registration number and the address of the Registrar of Companies where our Promoter is registered will be submitted to the Stock Exchange at the time of filing of the Draft Prospectus with them. Our Promoter and the members of the Promoter Group have confirmed that they have not been identified as willful defaulters by the RBI or any other governmental authority.

Except as disclosed in the section titled "Outstanding Litigations and Material Developments" on page 163 of this Draft Prospectus, no violations of securities laws have been committed by our Promoter or Promoter Group in the past or are



pending against them. None of (i) our Promoter, Promoter Group; or (ii) the companies with which the Promoter is or was associated as a promoter, are debarred or prohibited from accessing the capital markets for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Our promoters are not the original promoter of the Company. For details on change in control of the issuer, date of acquisition & consideration paid for acquisition by our current promoter please refer table titled “*Capital Built up of the Promoters*” on page 48 of chapter titled “*Capital Structure*” beginning on page 44.

Disassociation by the promoters of the Promoter in the last three years

Except as disclosed below, the promoters of our Promoter have not disassociated themselves from any of the companies, firms or entities during the last three years preceding the date of this offer document:

Mr. Gauri Shankar Bajaj

Gauri Shankar Bajaj has disassociated from the following companies during the preceding three years:

Sr. No	Name of the Company	Designation	Resignation Date
1.	Shatrunjaya Estates Private Limited ⁽¹⁾	Director	17-11-2011
2.	Dear Projects Private Limited ⁽²⁾	Director	01-12-2011
3.	Chakreshwari Estates Private Limited ⁽³⁾	Director	01-12-2011

⁽¹⁾ Mr. Gauri Shankar Bajaj was appointed as the Additional Director in Shatrunjaya Estates Private Limited on August 06, 2011 and he resigned from the company on November 17, 2011 due to his pre-occupations and to focus completely on the Company’s IPO work. Neither Mr. Gauri Shankar Bajaj nor any of his relatives hold any shares / directorship in the abovementioned company.

⁽²⁾ Mr. Gauri Shankar Bajaj was appointed as the Additional Director in Dear Projects Private Limited on August 16, 2011 and he resigned from the company on December 01, 2011 due to his pre-occupations and to focus completely on the Company’s IPO work. Neither Mr. Gauri Shankar Bajaj nor any of his relatives hold any shares / directorship in the abovementioned company

⁽³⁾ Mr. Gauri Shankar Bajaj was appointed as the Additional Director in Chakreshwari Estates Private Limited on September 07, 2011 and he resigned from the company on December 01, 2011 due to his pre-occupations and to focus completely on the Company’s IPO work. Neither Mr. Gauri Shankar Bajaj nor any of his relatives hold any shares / directorship in the abovementioned company

Ms. Sarika Lahoti

Sarika Lahoti has disassociated from the following companies during the preceding three years:

Sr. No	Name of the Company	Designation	Resignation Date
1.	Chakreshwari Estates Private Limited*	Director	14-02-2012

* Ms. Sarika Lahoti was appointed as the Additional Director in Chakreshwari Estates Private Limited on May 01, 2011 resigned from the company on February 14, 2012 due to her pre-occupations and to focus completely on the the Company’s IPO work. Neither Ms. Sarika Lahoti nor any of her relatives hold any shares / directorship in the abovementioned company..



Common Pursuits and Interest of Promoter

One of the promoters of our Promoter Company M/s. Giza Estates Private Limited, Mr. Gauri Shankar Bajaj carries on the business of stock broking as a sub-broker which is indirectly similar to the one of the objects of our Company. It may create a potential conflict of interest. Our Promoter is interested only to the extent of its shareholding in our Company. For details on the shareholding of our Promoter in our Company, please see “Capital Structure” on page 44 of this Draft Prospectus. Certain directors of our Promoter are also directors of our Company.

Except as stated in “Related Party Transactions” beginning on page 130 of this Draft Prospectus, our Promoter or any of our Promoter Group does not have any other interest in our business.

Payment or Benefit to Promoter

Except as stated in the section titled “Related Party Transactions” on page 130 of this Draft Prospectus, there is no payment or benefit to our Promoters.



OUR PROMOTER GROUP

Apart from our Promoter, the following companies constitute our Promoter Group:

Relatives of Promoter - Not applicable

Entities Forming part of the Promoter Group - Nil

All persons whose shareholding is aggregated for the purpose of disclosing under the heading ‘Shareholding of the promoter group’:

1. Mr. Gauri Shankar Bajaj
2. Mr. Devaki Nandan Lahoti
3. Ms. Manju Lahoti
4. Mr. Rinkesh Lahoti

Details of Promoter Group whose names have been struck off from Registrar of Companies

None of our Promoter Group had remained defunct and has made any application to the RoC for striking off the name of the company, during the five years preceding the date of filing this Draft Prospectus with SEBI.

Undertaking / confirmations

Our Promoter and Promoter Group have confirmed that they have not been detained as willful defaulters by the RBI or any other Government authority. Additionally, there are no violations of securities laws committed by them in the past or are pending against them and none of our Promoter or persons in control of body corporate forming part of our Promoter Group have been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Common Pursuits / Conflict of Interest

One of the promoters of our Promoter Company M/s. Giza Estates Private Limited, Mr. Gauri Shankar Bajaj carries on the business of stock broking as a sub-broker which is indirectly similar to the one of the objects of our Company. It may create a potential conflict of interest. Our Promoter is interested only to the extent of its shareholding in our Company. For details on the shareholding of our Promoter in our Company, please see “Capital Structure” on page 44 of this Draft Prospectus. Certain directors of our Promoter are also directors of our Company.

Except as disclosed above, none of our Promoter Group is at present in the same line of business as ours.

There are no transactions relating to sales or purchases between our Company and our Promoter Group exceeding 10% of the sales or purchases of our Company.

Companies promoted by Mr. Gauri Shankar Bajaj and Ms. Sarika Lahoti

No other companies are promoted by Mr. Gauri Shankar Bajaj and Ms. Sarika Lahoti, form part of our Promoter Group/Group Companies as per SEBI (ICDR) Regulations.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, see Annexure – XVI to the Financial Statements beginning on page 150 of this Draft Prospectus.



DIVIDEND POLICY

Dividends, other than interim dividends, may be declared at the AGM of our shareholders based on the recommendation of our Board of Directors. Our Board may, at its discretion, recommend dividends to be paid to the shareholders, considering a number of factors including, without limitation, our Company's future expansion plans and capital requirements, profits earned during the Fiscal, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time, legal restrictions, our Articles of Association and other factors considered relevant by the Board of Directors.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements we may enter into to finance our various projects and also the fund requirements for our projects.

Our Company has not paid any dividend since incorporation. However, this is not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.



SECTION V: FINANCIAL INFORMATION

Financial Statements

AUDITORS REPORT

ON FINANCIAL INFORMATION OF SANGAM ADVISORS LIMITED

Auditor's Report as required by Part II of Schedule II to the Companies Act, 1956.

To,
The Board of Directors,
Sangam Advisors Ltd
33/34, 3rd Floor, Printing House,
28-D, Police Court Lane,
Behind Old Handloom House,
Fort, Mumbai – 400 001
Maharashtra, India

Dear Sirs,

Re: Proposed Public Issue of Equity Shares of Sangam Advisors Limited

We have examined and found correct the annexed restated summary statements of M/s Sangam Advisors Limited for the years ended March 31, 2012, 2011, 2010, 2009 and 2008 prepared by the Company and approved by its Board of Directors.

At the date of signing this report, we have not come across any material adjustment, which would affect the result shown by these accounts drawn up in accordance with the requirements of Part II of Schedule II to the Companies Act, 1956.

In accordance with the requirements of:

- Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 ('the SEBI ICDR Regulations') and
- The Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India and terms of reference received from the Company in connection with the proposed public issue of Equity shares of the Company.
- The terms of reference given vide the Company's letter dated 01/02/2012 requesting us to carry out work in connection with the Issue as aforesaid, we report that:-
 1. The summary statement of assets and liabilities, as restated, of the Company as at March 31, 2012, 2011, 2010, 2009 and 2008 are as set out in ANNEXURE - I to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts along with adjustments on account of audit qualifications as appearing in ANNEXURE - IV to this report.
 2. The summary statement of profit and loss, as restated of the Company for the years ended March 31, 2012, 2011, 2010, 2009 and 2008 are as set out in ANNEXURE - II to this report. These profits have been arrived after making



such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts along with adjustments on account of audit qualifications as appearing in ANNEXURE - IV to this report.

3. We have examined the summary statement of cash flow, as restated relating to the Company for the years ended March 31, 2012, 2011, 2010, 2009 and 2008 appearing in ANNEXURE - III to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and Notes to Accounts along with adjustments on account of audit qualifications as appearing in ANNEXURE - IV to this report.

These statements have been prepared by the Company and approved by its Board of Directors (these statements are herein collectively referred to as the “Restated Summary Statements”). These statements have been extracted from the audited financial statement of the Company for the respective period / years.

Audit of the financial statements for the years ended March 31, 2012, 2011, 2010 and 2009 have been conducted by Company’s Statutory Auditor M/s. Mahesh Bairat & Associates, Chartered Accountants and for the year ended March 31 2008 by Company’s Statutory Auditor M/s. Rajesh Modi & Associates, Chartered Accountants. Further, financial statements for the year ended March 31, 2012 have been re-audited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the financial years ended March 31, 2011, 2010 and 2009 is based on the audited financial statements of the Company which were audited by the Statutory Auditor M/s. Mahesh Bairat & Associates, Chartered Accountants and for financial year ended March 2008 is based on the audited financial statements of the Company which were audited by the Statutory Auditor M/s. Rajesh Modi & Associates, Chartered Accountants whose Auditors’ report has been relied upon by us for the said periods.

The Restated Summary Statements of the Company as included in this report as at for the years ended March 31, 2011, 2010, 2009 and 2008 are based on the audited financial statements of the Company which were audited by the Statutory Auditor of the Company and whose Auditors’ report has been relied upon by us for the said years and for the year ended March 31, 2012 examined by us as set out in ANNEXURE I, II and III of this report are after making such adjustments and regrouping as in our opinion were appropriate.

Based on the above and also as per the reliance placed by us on the audited financial statements of the Company which were audited by Statutory Auditor and the Auditors’ report for the years ended March 31, 2011, 2010, 2009 and 2008, we are of the opinion that the Restated Summary Statements have been made after incorporating:

- i. Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
- ii. Adjustments for the material amounts in the respective financial period/years to which they relate;
- iii. And there are no extra-ordinary items that need to be disclosed separately in the accounts.

We have examined the following financial information relating to the Company proposed to be included in the Draft Prospectus as approved by you and annexed to this report. In respect of the financial years ended March 31, 2011, 2010, 2009 and 2008, this information has been included based on the audited financial statements of the Company which were audited by the Statutory Auditor of the Company and whose Auditors’ report has been relied upon by us for the said years:

1. Details of Sundry Debtors as Restated enclosed as ANNEXURE V to this report;
2. Details of Current Liabilities and Provisions as Restated as appearing in ANNEXURE VI to this report;
3. Details of Loans and Advances as Restated as appearing in ANNEXURE VII to this report;
4. Details of Inventories as Restated as appearing in ANNEXURE VIII to this report;
5. Details of Income from Operations as Restated as appearing in ANNEXURE IX to this report;
6. Details of Other Income as Restated as appearing in ANNEXURE X to this report;
7. Details of Contingent Liabilities as Restated as appearing in ANNEXURE XI to this report;
8. Summary of Accounting Ratios as Restated as appearing in ANNEXURE XII to this report;



9. Capitalization Statement as Restated as at March 31 ,2012 as appearing in ANNEXURE XIII to this report;
10. Statement of Tax Shelters as Restated as appearing in ANNEXURE XIV to this report;
11. Details of Investments as Restated as appearing in ANNEXURE XV to this report;
12. Details of Related Parties Transactions as Restated as appearing in ANNEXURE XVI to this report;
13. Details of Reserves and Surplus as Restated as appearing in ANNEXURE XVII to this report.

In our opinion the above financial information of the Company read with Significant Accounting Policies and Notes to Accounts enclosed in ANNEXURE IV to this report and also as per the reliance place by us on the audited financial statements of the Company which were audited by the Statutory Auditor and the Auditors' report for the years ended March 31, 2011, 2010, 2009 and 2008, after making adjustments / restatements and regroupings as considered appropriate has been prepared in accordance with paragraph B(1) Part II of Schedule II of the Companies Act and the SEBI ICDR Regulations.

This report should not be in any way construed as a reissuance or redrafting of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred herein.

This report is intended solely for your information 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.

For R T JAIN & CO
Chartered Accountants
(FRN No. 103961W)

Place: Mumbai
Date: 26th April 2012

(CA R T JAIN)
Partner
(M No.: 033605)



ANNEXURE – I

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Amount in ₹)

Sr. No.	Particulars	AS AT MARCH 31,				
		2008	2009	2010	2011	2012
A	Fixed Assets					
	Gross Block	-	-	-	-	329,525
	Less: Depreciation	-	-	-	-	48,391
	Net Block	-	-	-	-	281,134
B	Investment	7,050,000	8,250,000	5,447,200	51,372,006	36,364,182
C	Current Assets, Loans & Advances					
	Inventories	-	-	-	80,917,529	3,769,621
	Sundry Debtors	-	-	-	-	2,282,367
	Cash and Bank Balances	56,028	36,293	2,588,109	744,325	961,401
	Loans & Advances	359,395	245,936	11,757,993	18,994,136	717,600
	Total	415,423	282,229	14,346,102	100,655,989	7,730,989
D	Liabilities & Provisions					
	Deferred Tax Liability	-	-	-	-	15,594
	Current Liabilities & Provisions	9,794	16,458	36,861	113,379,306	867,035
	Total	9,794	16,458	36,861	113,379,306	882,629
E	Net Worth (A+B+C-D)	7,455,629	8,515,771	19,756,441	38,648,688	43,493,676
F	Represented by					
	Share Capital	2,790,000	3,000,000	4,123,000	37,353,500	37,988,750
	Reserves & Surplus	4,665,629	5,515,771	15,633,441	1,295,188	5,504,925
	Net Worth	7,455,629	8,515,771	19,756,441	38,648,688	43,493,676



ANNEXURE –II

STATEMENT OF PROFIT AND LOSS AS RESTATED

(Amount in ₹)

Sr. No.	Particulars	FOR THE YEAR ENDED MARCH 31,				
		2008	2009	2010	2011	2012
A	Income					
	Income from Operations	45,000	120,000	363,905	1,348,895	6,692,976
	Other Income	44	-	-	-	350,000
	Total Income	45,044	120,000	363,905	1,348,895	7,042,976
B	Expenditure					
	Personnel Expenses	-	75,500	248,000	521,200	3,093,176
	Operating & Administrative Expenses	29,686	28,225	41,054	321,081	941,294
	Total Expenditure	29,686	103,725	289,054	842,281	4,034,470
C	Net Profit before Interest, Depreciation, Tax and Extraordinary Items (A-B)	15,358	16,275	74,851	506,614	3,008,506
	Financial Expenses	1,463	150	1,523	2,279	16,198
	Net Profit/ (Loss) Before Depreciation & Tax	13,895	16,125	73,328	504,335	2,992,308
	Depreciation	-	-	-	-	48,391
D	Net Profit before Tax and Extraordinary Items	13,895	16,125	73,328	504,335	2,943,917
	<u>Provision for Taxation</u>					
	- Current Tax	(4,294)	(4,983)	(22,659)	(142,088)	(723,086)
	- Deferred Tax Expense	-	-	-	-	(15,594)
	- Fringe Benefit Tax	-	(1,000)	-	-	-
	Net Profit/ (Loss) available for Appropriations	9,601	10,143	50,670	362,247	2,205,237



ANNEXURE - III

STATEMENT OF CASH FLOW AS RESATED

(Amount in ₹)

Particulars	AS AT MARCH 31,				
	2008	2009	2010	2011	2012
A: CASH FLOW FROM OPERATING ACTIVITIES					
Profit/ (Loss) before tax	13,895	16,125	73,328	504,335	2,943,917
<i>Adjustments for:</i>					
Depreciation	-	-	-	-	48,391
Preliminary Expenses written off	4,500	-	-	-	-
Prior Period Expenses	(13,746)	-	-	-	-
Profit on Sale of Investments	-	-	-	-	(125,999)
Operating profit before working capital changes	4,649	16,125	73,328	504,335	2,866,309
<i>Movements in working capital :</i>					
(Increase)/Decrease in Sundry Debtors	38,000	-	-	-	(2,282,367)
(Increase)/Decrease in Stock	-	-	-	(80,917,529)	77,147,908
(Increase)/Decrease in Other Receivables	(30,600)	113,459	(11,512,057)	(7,236,143)	18,276,536
Increase/(Decrease) in Trade Payables and Other Liabilities	(5,787)	6,664	20,404	27,312,960	(26,499,679)
<i>Cash generated from operations</i>	6,262	136,248	(11,418,326)	(60,336,377)	69,508,706
Income tax paid during the year	(819)	(5,983)	(22,659)	(112,603)	(735,679)
Net cash from operating activities	5,443	130,265	(11,440,984)	(60,448,980)	68,773,027
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed assets (including capital advances)	-	-	-	-	(329,525)
Purchase of Investments	-	(1,200,000)	(4,247,200)	(33,872,006)	(5,649,250)
Sale of Investment	-	-	7,050,000	6,747,200	20,783,074
Net cash from investing activities	-	(1,200,000)	2,802,800	(27,124,805)	14,804,299
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of share capital	-	1,050,000	11,230,000	-	3,176,250
Share Application Money Received / (Refunded)	-	-	-	86,000,000	(86,000,000)



Particulars	AS AT MARCH 31,				
	2008	2009	2010	2011	2012
Miscellaneous Expenditure / Share Issue Expenses	-	-	(40,000)	(270,000)	(536,500)
Net cash used in financing activities	-	1,050,000	11,190,000	85,730,000	(83,360,250)
Net increase in cash and cash equivalents (A + B + C)	5,443	(19,735)	2,551,816	(1,843,784)	217,076
Cash and cash equivalents at the beginning of the year	50,585	56,028	36,293	2,588,109	744,325
Cash and cash equivalents at the end of the year*	56,028	36,293	2,588,109	744,325	961,401
	5,443	(19,735)	2,551,816	(1,843,784)	217,076
Cash and cash equivalents at the end of the year*					
Cash on hand and balances with Bank	56,028	36,293	2,588,109	744,325	961,401
Less: Bank overdraft/ Temporary overdrawn Bank Balance as per books	-	-	-	-	-
Less: Fixed/ Margin Money Deposits greater than 3 months	-	-	-	-	-
Cash and cash equivalents	56,028	36,293	2,588,109	744,325	961,401

Notes: The above Cash Flow Statements have been prepared under the "Indirect Method" as set out in Accounting Standard (AS) – 3 on Cash Flow Statements as notified by the Companies (Accounting Standards) Rules, 2006.



ANNEXURE – IV

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

A. SIGNIFICANT ACCOUNTING POLICY:

1. Basis of preparation of Financial Statements:

- (a) These financial statements have been prepared to comply in all material respect with all the applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act. 1956.
- (b) The financial statements are prepared under the historical cost convention and on the accounting principles of going concern. The Company follows the accrual system of accounting where income & expenditure are recognized on accrual basis.
- (c) Accounting policies not specifically referred to are consistent and in consonance with generally accepted accounting policies.

2. Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. The difference between the actual results and estimates are recognized in the period in which the results are known / materialized

3. Fixed Assets:

Fixed assets are stated at cost net of CENVAT/VAT, less accumulated depreciation and impairment loss, if any. All Cost including any cost attributable in bringing the assets to their working condition for their intended use is capitalized. Expenditure on additions, improvement and renewable is capitalized.

4. Depreciation:

Depreciation on fixed assets is provided on written down value (WDV) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life.

5. Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

6. Valuation of Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Current Investments are carried at the lower of cost or quoted / fair value computed scrip wise, Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.



7. Valuation of Inventories:

Closing Stock is valued at the cost or the Net realizable value whichever is lower. Cost includes cost of purchase and other expenses directly attributable to those purchases.

8. Employee Benefits:

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

9. Provision for Current Tax & Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax resulting from the timing differences between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in the future.

10. Contingent Liabilities / Provisions:

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts.

Provision is made in the accounts in respect of contingent liabilities which is likely to materialize into liabilities after the year end, till the finalization of accounts and which have material effect on the position stated in the Balance Sheet.

11. Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

12. Miscellaneous Expenditure / Share Issue Expenses

The company has a policy of writing off Miscellaneous Expenditure / Share Issue Expenses against securities premium in the same year in which the expense is incurred.



B. NOTES TO ACCOUNTS ON RESTATED FINANCIAL STATEMENT:

• Notes on Adjustments:

Summarized below are the restatements made to the audited financial statements for the respective period/years and their impact on the profit / (loss) of the Company:

Reconciliation of Restated profit

Adjustments for	Year Ended March 31,				
	2008	2009	2010	2011	2012
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	1,830	11,870	24,757	363,975	2,195,237
<u>Adjustments for:</u>					
Share Issue Expenses	-	-	40,000	-	-
Profession Tax	11,246	(2,500)	(2,500)	(2,500)	10,000
Provision for Tax	(3,475)	773	(11,588)	773	-
Net Profit/ (Loss) After Tax as Restated	9,601	10,143	50,670	362,248	2,205,237

Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years/period.

Adjustments having impact on Profit:

- Profession Tax for the period 2007-08 to 2011-12 has been paid in the year 2011-12. The same has been adjusted in the restated financial statements and the expense for earlier years has been shown as an expense in the respective years. Profession Tax for the period 2002-03 to 2006-07 has been paid in the year 2007-08. The same has been adjusted in the opening balance of Profit & Loss Account. The profit of the period 2007-08 has increased to the extent of ₹ 13,746/-.
- Miscellaneous Expenditure reflects expenditure in the nature of expenses on increase of Authorised Share Capital amounting to ₹ 40,000/- has been debited to Profit & Loss A/c for the financial year 2009-10. In subsequent years such expenditure was written off against Securities Premium account. This change of accounting policy has effect of reducing the profit of Financial year 2009-10 by ₹ 40,000/- and Securities Premium being inflated by the same amount. The effect of the same has been given in the restated financial statements and the amount of ₹ 40,000/- has been written off against Securities Premium.
- Restatement of profession tax expense and miscellaneous expenditure has resulted in tax saving / tax expense in the previous years for which effect has been given in the respective years.

Adjustments having no impact on Profit:

Material Regrouping

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009.



- **Managerial Remuneration**

Particulars	Year Ended March 31,				
	2008	2009	2010	2011	2012
Salary & Allowances	Nil	Nil	Nil	Nil	371,336

- **Auditors Remuneration include**

Particulars	Year Ended March 31,				
	2008	2009	2010	2011	2012
Audit Fees	3,000	1,500	2,000	4,000	12,000
Tax Audit Fees	Nil	Nil	Nil	2,000	3,000
Other Services	Nil	Nil	Nil	Nil	Nil
Total	3,000	1,500	2,000	6,000	15,000

- **Deferred Tax Liability / (Assets)**

As required by Accounting Standard 22 on “Accounting for Taxes on Income”, Deferred Tax comprises of the following items:

Particulars	As at March 31,				
	2008	2009	2010	2011	2012
In respect of Depreciation	Nil	Nil	Nil	Nil	50,467
Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%
Net Deferred Tax Liability / (Asset)	Nil	Nil	Nil	Nil	15,594

The Schedules referred to above and other notes attached form integral part of accounts.



ANNEXURE – V

DETAILS OF SUNDRY DEBTORS AS RESTATED

(Amount in ₹)

Particulars	As at March 31, 2008	As at March 31, 2009	As at March 31, 2010	As at March 31, 2011	As at March 31, 2012
Debts outstanding for a period exceeding six months					
Unsecured, considered good	-	-	-	-	-
Other debts					
Unsecured, considered good	-	-	-	-	2,282,367
Total	-	-	-	-	2,282,367

Out of the above, amounts outstanding from Promoters/Promoter Group/Group Companies/Directors/Relatives of Directors is as follows:

(Amount in ₹)

Particulars	As at March 31, 2008	As at March 31, 2009	As at March 31, 2010	As at March 31, 2011	As at March 31, 2012
From Promoters / Directors / Relatives	-	-	-	-	-
From Group Companies	-	-	-	-	-

ANNEXURE – VI

DETAILS OF CURRENT LIABILITIES AND PROVISIONS AS RESTATED

(Amount in ₹)

Particulars	As at March 31, 2008	As at March 31, 2009	As at March 31, 2010	As at March 31, 2011	As at March 31, 2012
<u>CURRENT LIABILITIES</u>					
<u>Sundry Creditors</u>					
For Shares	-	-	-	26,853,927	-
For Expenses	3,000	2,000	4,000	359,001	130,431
<i>sub-total</i>	<i>3,000</i>	<i>2,000</i>	<i>4,000</i>	<i>27,212,928</i>	<i>130,431</i>
<u>Provisions</u>					
Provision for Income Tax	4,294	8,458	25,361	156,378	736,604
Provision for Fringe Benefit Tax	-	1,000	-	-	-
Profession Tax Payable	2,500	5,000	7,500	10,000	-
<i>sub-total</i>	<i>6,794</i>	<i>14,458</i>	<i>32,861</i>	<i>166,378</i>	<i>736,604</i>



Particulars	As at March 31, 2008	As at March 31, 2009	As at March 31, 2010	As at March 31, 2011	As at March 31, 2012
Share Application Money Refundable	-	-	-	86,000,000	-
<i>sub-total</i>	-	-	-	86,000,000	-
Total	9,794	16,458	36,861	113,379,306	867,035

Note:

Particulars	As at March 31, 2008	As at March 31, 2009	As at March 31, 2010	As at March 31, 2011	As at March 31, 2012
Due to Promoters / Directors / Relatives	-	-	-	-	-
Due to Group Companies	-	-	-	-	-

ANNEXURE – VII

DETAILS OF LOANS & ADVANCES AS RESTATED

(Unsecured, Considered Good, unless stated otherwise)

Particulars	As at March 31, 2008	As at March 31, 2009	As at March 31, 2010	As at March 31, 2011	As at March 31, 2012
Advances recoverable in cash or in kind or for value to be received	272,348	147,348	11,728,911	18,869,355	-
Balance with Revenue Authorities / Advance Income Tax / Tax Deducted at Source	87,047	98,588	29,082	124,781	717,600
Total	359,395	245,936	11,757,993	18,994,136	717,600

Out of the above, Amounts outstanding from Promoters/Promoter Group/Group Companies/Directors/Relatives of Directors are as follows:

Particulars	As at March 31, 2008	As at March 31, 2009	As at March 31, 2010	As at March 31, 2011	As at March 31, 2012
From Promoters / Directors / Relatives	-	-	-	-	-
From Group Companies	-	-	-	-	-
Total	-	-	-	-	-



ANNEXURE – VIII

DETAILS OF INVENTORIES AS RESTATED

(Amount in ₹)

Particulars	As at March 31, 2008	As at March 31, 2009	As at March 31, 2010	As at March 31, 2011	As at March 31, 2012
Equity Shares - Quoted	-	-	-	80,917,529	3,769,621
Total	-	-	-	80,917,529	3,769,621

ANNEXURE – IX

DETAILS OF INCOME FROM OPERATIONS AS RESTATED

(Amount in ₹)

Source of Income	FOR THE YEAR ENDED MARCH 31				
	2008	2009	2010	2011	2012
Advisory Income	45,000	120,000	234,815	725,000	5,276,772
Interest Income	-	-	129,090	708,281	1,273,370
Interest on FDR	-	-	-	-	101,927
Profit / Loss on Trading of Shares	-	-	-	(84,386)	(85,092)
Short Term Capital Gain	-	-	-	-	125,999
Total	45,000	120,000	363,905	1,348,895	6,692,976

ANNEXURE – X

DETAILS OF OTHER INCOME AS RESTATED

(Amount in ₹)

Particulars	FOR THE YEAR ENDED MARCH 31,				
	2008	2009	2010	2011	2012
Other Income	44	-	-	-	350,000
Net Profit before Tax as Restated	13,895	16,125	73,328	504,335	2,943,917
Percentage	0.32	0.00	0.00	0.00	11.89

Details of Other Income:

(Amount in ₹)

Source of Income	FOR THE YEAR ENDED MARCH 31,					Nature
	2008	2009	2010	2011	2012	
<u>Other Income</u>						



Source of Income	FOR THE YEAR ENDED MARCH 31,					Nature
	2008	2009	2010	2011	2012	
Dividend	44	-	-	-	350,000	Recurring and related to business activity
Total	44	-	-	-	350,000	

ANNEXURE – XI

DETAILS OF CONTINGENT LIABILITIES AS RESTATED

(Amount in ₹)

Particulars	As at March 31, 2008	As at March 31, 2009	As at March 31, 2010	As at March 31, 2011	As at March 31, 2012
Income Tax Demand for A Y 2007-08	-	-	-	-	7,982
Total	-	-	-	-	7,982

ANNEXURE – XII

SUMMARY OF ACCOUNTING RATIOS AS RESTATED

(Amount in ₹, except per share data)

Ratios	FOR THE YEAR ENDED MARCH 31,				
	2008	2009	2010	2011	2012
Restated PAT as per P& L Account	9,601	10,143	50,670	362,247	2,205,237
Weighted Average Number of Equity Shares at the end of the Year	1,722,050	1,723,316	1,743,358	1,860,501	3,735,491
Actual Number of Equity Shares outstanding at the end of the year	279,000	300,000	412,300	3,735,350	3,798,875
Number of Equity Shares at the end of the year (as adjusted for Bonus issues)	1,255,500	1,350,000	1,855,350	3,735,350	3,798,875
Net Worth	7,455,629	8,515,771	19,756,441	38,648,688	43,493,676
Earnings Per Share					
Basic & Diluted	0.01	0.01	0.03	0.19	0.59
Return on Net Worth (%)	0.13	0.12	0.26	0.94	5.07
Net Asset Value Per Share (Rs) - based on no of equity shares at the end of the year (as adjusted for bonus issues)	5.94	6.31	10.65	10.35	11.45
Nominal Value per Equity share (₹)	10.00	10.00	10.00	10.00	10.00



Notes:

The Ratio has been computed as below:

$$(a) \text{ Earnings Per Share (₹)} = \frac{\text{Net Profit after Tax as restated}}{\text{Weighted Average number of Equity shares outstanding during the year}}$$

$$(b) \text{ Return On Net Worth (\%)} = \frac{\text{Net Profit after Tax as restated}}{\text{Net Worth as restated}}$$

$$(c) \text{ Net Asset Value per Share (₹)} = \frac{\text{Net Worth as restated}}{\text{Number of Equity Shares at the end of the year (as adjusted for Bonus issues)}}$$

ANNEXURE – XIII

CAPITALISATION STATEMENT AS AT MARCH 31, 2012

(Amount in ₹)

Particulars	Pre Issue	Post Issue
<u>Borrowings</u>		
Short term debt (A)	-	[•]
Long Term Debt (B)	-	[•]
Total debts (C)	-	[•]
<u>Shareholders' funds</u>		
Equity share capital	37,988,750	[•]
Reserve and surplus - as restated	5,504,925	[•]
Total shareholders' funds	43,493,675	[•]
Long term debt / shareholders funds	-	[•]
Total debt / shareholders funds	-	[•]

Note: The post issue capitalisation will be determined only after the completion of allotment of Equity Shares pursuant to Issue.

ANNEXURE – XIV

STATEMENT OF TAX SHELTERS

(Amount in ₹)



Particulars	FOR THE YEAR ENDED MARCH 31,				
	2008	2009	2010	2011	2012
Profit before tax (A)	13,895	16,125	73,328	504,335	2,943,917
Tax Rates					
-Normal Tax Rates	30.90%	30.90%	30.90%	30.90%	30.90%
-Minimum Alternate Tax Rate	10.30%	10.30%	15.45%	18.54%	19.05%
Notional Tax at Normal Rates (A)	4,294	4,983	22,658	155,839	909,670
Adjustments :					
Permanent Differences (B)					
<u>Exempt Income</u>					
Dividend	-	-	-	-	(350,000)
Expenses disallowed under the Income Tax Act, 1961	-	-	-	-	40,934
Total Permanent Differences (B)	-	-	-	-	(309,066)
Timing Differences (C)					
Difference between tax depreciation and book depreciation	-	-	-	-	(50,467)
Difference due to expenses allowable/disallowable	-	-	-	(54,000)	(171,300)
Total Timing Differences (C)	-	-	-	(54,000)	(221,767)
Net Adjustments E = (B+C)	-	-	-	(54,000)	(530,833)
Tax expense / (saving) thereon	-	-	-	(16,686)	(164,027)
Total Taxation (A+E)	4,294	4,983	22,658	139,153	745,643
Brought forward losses set off	-	-	-	-	-
Tax effect on the above (F)	-	-	-	-	-
Net tax for the year / period (E-F)	4,294	4,983	22,658	139,153	745,643
Tax payable as per MAT	1,431	1,661	11,329	93,504	560,816
Tax expense recognised	819	5,755	11,071	142,860	723,086
Tax as per return of Income	819	5,755	11,071	142,860	723,086

Note: The statement of tax shelters has been prepared based on return of income filed by the Company with the Income Tax Authorities.



ANNEXURE – XV

DETAILS OF INVESTMENTS AS RESTATED

(Amount in ₹)

Particulars	As at March 31, 2008	As at March 31, 2009	As at March 31, 2010	As at March 31, 2011	As at March 31, 2012
Investments-Unquoted					
Sangam Warper & Sizers Pvt Ltd	7,050,000	7,050,000	-	-	-
Sangam Foundation Pvt Ltd	-	1,200,000	1,235,200	-	-
Frontline Synthetic Pvt Ltd	-	-	1,552,000	-	-
Sky High Investments & Fin Pvt Ltd	-	-	1,540,000	-	-
Star Fincap Pvt Ltd	-	-	1,120,000	-	-
Swastik Foundation Pvt Ltd	-	-	-	1,524,000	-
<i>sub-total</i>	<i>7,050,000</i>	<i>8,250,000</i>	<i>5,447,200</i>	<i>1,524,000</i>	<i>-</i>
Investments - Quoted					
Gokul Refoil & Solvent Ltd	-	-	-	28,775,971	28,775,971
Gravita Ltd	-	-	-	1,938,960	1,938,960
Sejal Glass Ltd	-	-	-	333,075	-
RGF Capital Ltd	-	-	-	18,800,000	-
Dazzel Confin Ltd	-	-	-	-	5,649,251
<i>sub-total</i>	<i>-</i>	<i>-</i>	<i>-</i>	49,848,006	36,364,182
Total	7,050,000	8,250,000	5,447,200	51,372,006	36,364,182
Market Value of Quoted Investments	-	-	-	48,050,354	27,852,100



ANNEXURE – XVI

DETAILS OF RELATED PARTY TRANSACTIONS

Details of the names of related parties and nature of relationships:

Particulars	Nature of Relationship	Year Ended March 31					
		2008	2009	2010	2011	2012	
Names of related parties and description of relationship							
Key Management Personnel	Director	Ms. Neelam Toshniwal	-	-	-	-	Mr. Gauri Shankar Bajaj
		-	-	-	-	-	Mr. Ravindra Kadam
		-	-	-	-	-	Ms. Sarika Lahoti
		-	-	-	-	-	Mr. Ashok Khajanchi
		-	-	-	-	-	Mr. Anil Patodia
		-	-	-	-	-	Mr. Madan Sanghi
Relatives of Key Management Personnel	Karta is brother of Director	-	-	Om Prakash Lahoti (HUF)	Om Prakash Lahoti (HUF)	-	
	Directors Nephew	-	-	Mr. Rinkesh Lahoti	Mr. Rinkesh Lahoti	Mr. Rinkesh Lahoti	
	Karta of HUF is Director	-	-	-	Devki Nandan Lahoti (HUF)	-	
	Directors Wife	-	-	-	-	Ms. Deepika Patodia	
Enterprise having substantial voting right		-	-	-	Bikaner Wooltex Pvt Ltd	Bikaner Wooltex Pvt Ltd	



Details of Related Party Transactions are as follows:

(Amount in ₹)

Nature of the Transaction	Name of Party	Nature of Relationship	Year Ended March 31				
			2008	2009	2010	2011	2012
Advance for sale/purchase Received and paid back	Ms. Neelam Toshniwal	Director	30,000	-	-	-	-
	Om Prakash Lahoti (HUF)	Karta is directors brother	-	-	1,000,000	1,870,000	-
	Devki Nandan Lahoti (HUF)	Karta of HUF is Director	-	-	-	660,000	-
	Bikaner Wooltex Pvt Ltd	Enterprise having substantial voting right	-	-	-	-	27,600,000
Salary Paid	Rinkesh Lahoti	Directors Nephew	-	-	48,000	34,335	62,500
	Deepika Patodia	Directors Wife	-	-	-	-	92,687
Purchase of Investment	Rinkesh Lahoti	Directors Nephew	-	-	68,200	-	-
Share application money received & refunded	Bikaner Wooltex Pvt Ltd	Enterprise having substantial voting right	-	-	-	-	17,500,000
Directors Remuneration paid	Gauri Shankar Bajaj	Director	-	-	-	-	195,000
	Anil Patodia	Director	-	-	-	-	32,336
	Ravindra Kadam	Director	-	-	-	-	144,000
Directors Sitting Fees Paid	Sarika Lahoti	Director	-	-	-	-	1,000
	Ashok Khajanchi	Director	-	-	-	-	1,000
	Madan Sanghi	Director	-	-	-	-	1,000



Outstanding Balances as at the end of the respective years

Nil

ANNEXURE – XVII

DETAILS OF RESERVES AND SURPLUS AS RESTATED

(Amount in ₹)

Particulars	As at March 31, 2008	As at March 31, 2009	As at March 31, 2010	As at March 31, 2011	As at March 31, 2012
Securities Premium					
Opening Balance	4,509,850	4,509,850	5,349,850	15,416,850	716,350
Add: Received during the year	-	840,000	10,107,000	-	2,541,000
Less: Utilised for issue of Bonus Shares	-	-	-	(14,430,500)	-
Less: Miscellaneous Expenses / Share Issue Expenses	-	-	(40,000)	(270,000)	(536,500)
Closing Balance (A)	4,509,850	5,349,850	15,416,850	716,350	2,720,850
Profit & Loss Account					
Opening Balance	146,178	155,779	165,921	216,591	578,838
Add: Profit for the year	9,601	10,143	50,670	362,247	2,205,237
Closing Balance (B)	155,779	165,921	216,591	578,838	2,784,075
Total (A+B)	4,665,629	5,515,771	15,633,441	1,295,188	5,504,925



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our restated financial statements, including the notes thereto, and other financial data in Chapter titled "Financial Statements" beginning on page 132 of the Draft Prospectus. You should also read the sections titled "Risk Factors" and "Forward-Looking Statements" beginning on pages 12 and 11, respectively, of the Draft Prospectus which discuss a number of factors and contingencies that could impact our financial condition and results of operations.

The following discussion is based on our restated financial statements as of and for the fiscal years March 31, 2012, 2011, 2010, 2009 and 2008. Our audited financial statements are prepared in accordance with Indian GAAP, the accounting standards prescribed by the ICAI and the relevant provisions of the Companies Act and restated in accordance with the relevant provisions of the SEBI Regulations and the Companies Act. Our fiscal year ends on March 31 of each year. Unless otherwise stated, "fiscal year" or "fiscal" refers to the twelve month period ending March 31 of that year.

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements:

- (a) These financial statements have been prepared to comply in all material respect with all the applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.
- (b) The financial statements are prepared under the historical cost convention and on the accounting principles of going concern. The Company follows the accrual system of accounting where income & expenditure are recognized on accrual basis.
- (c) Accounting policies not specifically referred to are consistent and in consonance with generally accepted accounting policies.

2. Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. The difference between the actual results and estimates are recognized in the period in which the results are known / materialized

3. Fixed Assets:

Fixed assets are stated at cost net of CENVAT/VAT, less accumulated depreciation and impairment loss, if any. All Cost including any cost attributable in brining the assets to their working condition for their intended use is capitalized. Expenditure on additions, improvement and renewable is capitalized.

4. Depreciation:

Depreciation on fixed assets is provided on written down value (WDV) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life.



5. Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

6. Valuation of Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Current Investments are carried at the lower of cost or quoted / fair value computed scrip wise, Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

7. Valuation of Inventories:

Closing Stock is valued at the cost or the Net realizable value whichever is lower. Cost includes cost of purchase and other expenses directly attributable to those purchases.

8. Employee Benefits:

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

9. Provision for Current Tax & Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax resulting from the timing differences between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in the future.

10. Contingent Liabilities / Provisions:

Contingent liabilities are not provided in the accounts and are disclosed separately in notes on accounts.

Provision is made in the accounts in respect of contingent liabilities which is likely to materialize into liabilities after the year end, till the finalization of accounts and which have material effect on the position stated in the Balance Sheet.

11. Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the year after prior period adjustments attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.



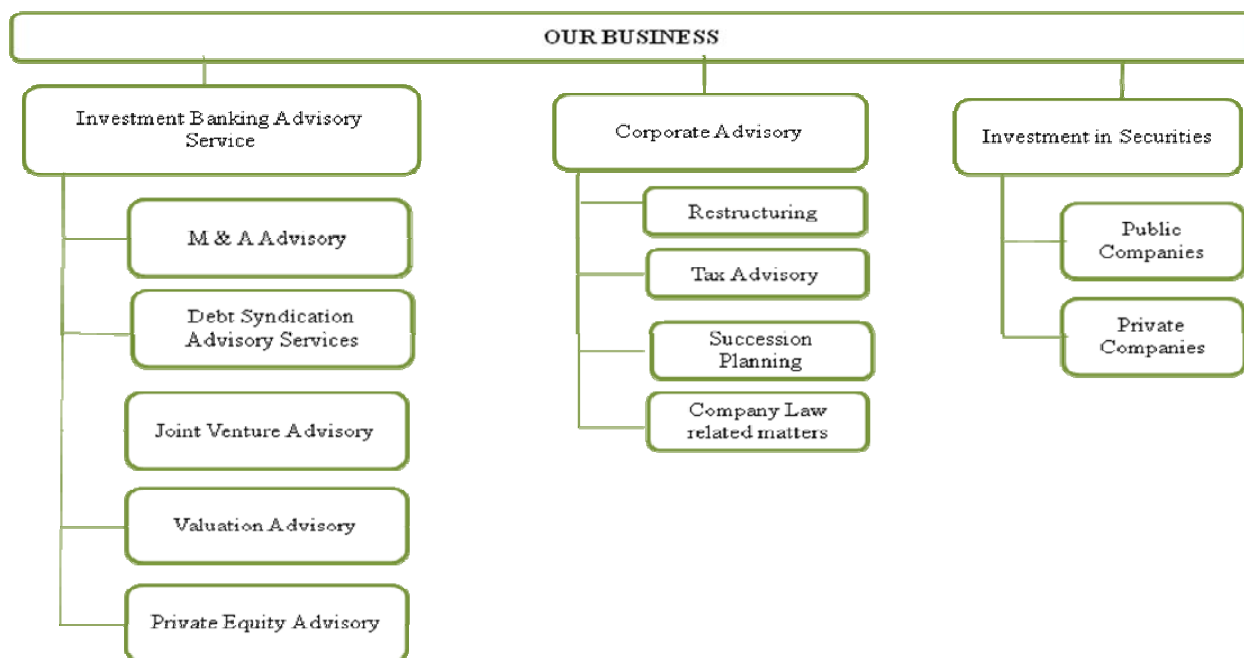
12. Miscellaneous Expenditure / Share Issue Expenses

The company has a policy of writing off Miscellaneous Expenditure / Share Issue Expenses against securities premium in the same year in which the expense is incurred.

Business Overview

Our Company is engaged in the business of providing diversified financial services with a primary focus in assisting small and medium enterprises (SMEs) in corporate and non-corporate sector in their financial planning, corporate restructuring and fund syndication requirements. We are also engaged in the business of investing in shares and other securities by leveraging our disciplined investment approach developed by our in-house experienced senior management team. We have our registered office in Mumbai, from where we carry out the businesses of investment banking advisory, corporate advisory and investing in shares / debentures / bonds of public / private companies.

The various business segments we operate in and services offering under each head can be classified as follows:



Significant developments subsequent to the last financial year

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in the Draft Prospectus, any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

Significant Factors Affecting Our Results of Operations

Our business is subject to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page 12 of the Draft Prospectus.

Among various other factors that affect our financial results and operations for a given financial year, some key factors are as follows:



- Changes in laws and regulations that apply to the industry;
- Increasing competition in the industry;
- Company's inability to successfully implement its growth and expansion plans;
- General economic and business conditions.

Overview of our Results of Operations

As a result of the various factors discussed above that affect our income and expenditure, our results of operations may vary from period to period. The following table sets forth certain information with respect to our results of operations for the Fiscals 2012, 2011, 2010, 2009 and 2008 as derived from our restated financial statements:

(₹ in lakhs)

Sr. No.	Particulars	FOR THE YEAR ENDED MARCH 31,					
		2010	% of Total Income	2011	% of Total Income	2012	% of Total Income
A	Income						
	Income from Operations	363,905	100.00	1,348,895	100.00	6,692,976	95.03
	Other Income	-	-	-	-	350,000	4.97
	Total Income	363,905	100.00	1,348,895	100.00	7,042,976	100.00
B	Expenditure						
	Personnel Expenses	248,000	68.15	521,200	38.64	3,093,176	43.92
	Operating & Administrative Expenses	41,054	11.28	321,081	23.80	941,294	13.37
	Total Expenditure	289,054	79.43	842,281	62.44	4,034,470	57.28
C	Net Profit before Interest, Depreciation, Tax and Extraordinary Items (A-B)	74,851	20.57	506,614	37.56	3,008,506	42.72
	Financial Expenses	1,523	0.42	2,279	0.17	16,198	0.23
	Net Profit/ (Loss) Before Depreciation & Tax	73,328	20.15	504,335	37.39	2,992,308	42.49
	Depreciation	-	-	-	-	48,391	0.69
D	Net Profit before Tax and Extraordinary Items	73,328	20.15	504,335	37.39	2,943,917	41.80
	Provision for Taxation						
	- Current Tax	(22,659)	(6.23)	(142,088)	(10.53)	(723,086)	(10.27)
	- Deferred Tax Expense	-	-	-	-	(15,594)	(0.22)
	- Fringe Benefit Tax	-	-	-	-	-	-
	Net Profit/ (Loss) available for Appropriations	50,670	13.92	362,247	26.86	2,205,237	31.31



Description of Income Items

Income from operations

Our income from operations consists of advisory fees and income from investing activities.

Other Income

Our Other income includes dividend income.

Description of Expenditure Items

Personnel Expenses

Our personnel cost primarily consists of salaries and bonuses paid to our employees, staff welfare expenses, director's remuneration and director's sitting fees.

Operating & Administrative Expenses

Our operating and administration expenses include conveyance and travelling charges, rent, rates and taxes, STT paid, telephone expenses, postage and telegram expenses, repairs and maintenance, audit fees, etc.

Financial Expenses

Our financial expenses include bank charges.

Depreciation

Depreciation includes depreciation on office equipment.

Review of fiscal year ended March 31, 2012

Incomes

Income from operations

Our income from advisory fees received was ₹ 5,276,772 which was 74.92% of our total income for the fiscal year ended March 31, 2012. Our income from investing activities was ₹ 1,416,204 which was 20.11% of our total income for the fiscal year ended March 31, 2012.

Other Income

Our other income was ₹ 3,50,000 which was 4.97% of our total income for the fiscal year ended March 31, 2012.

Expenditure

Personnel Expenses

Our personnel expenses were ₹ 30,93,176 which was 43.92% of our total income for the fiscal year ended March 31, 2012.



Operating & Administrative Expenses

Our operating and administrative expenses were ₹ 9,41,294 which was 13.37% of our total income for the fiscal year ended March 31, 2012.

Financial Expenses

Our financial charges were ₹ 16,198 which was 0.23% of our total income for the fiscal year ended March 31, 2012.

Depreciation

Our depreciation expenses were ₹ 48,391 which was 0.69% of our total income for the fiscal year ended March 31, 2012.

Profit before tax and extraordinary items

Our profit before tax and extraordinary items was ₹ 29,43,917 for the fiscal year ended March 31, 2012.

Net Profit after tax as Restated

Our restated net profit was ₹ 22,05,237 for the fiscal year ended March 31, 2012.

Comparison of Fiscal 2012 with Fiscal 2011

Incomes

Income from operations

Our income from advisory fees increased by 627.83% from ₹ 7,25,000 in Fiscal year ended March 31, 2011 to ₹ 52,76,772 in Fiscal year ended March 31, 2012. This was primarily due to an increase in fee based income from corporate advisory services in relation to merger and acquisition and debt syndication advisory services. Our Income from investing activities increased by 126.99% from ₹ 6,23,895 in Fiscal year ended March 31, 2011 to ₹ 14,16,204 in Fiscal year ended March 31, 2012. This was due to substantial increase in interest income and capital gains on sale of shares.

Other Income

Our Company didn't have any Other Incomes in Fiscal year ended March 31, 2011 as compared to ₹ 3,50,000 in Fiscal year ended March 31, 2012. Our other income constituted 4.97% of our total income for Fiscal year ended March 31, 2012 respectively. This was on account of dividend incomes received in Fiscal year ended March 31, 2012.

Expenditure

Personnel Expenses

Our personnel expenses increased by 493.47% from ₹ 5,21,200 in Fiscal year ended March 31, 2011 to ₹ 30,93,176 in Fiscal year ended March 31, 2012. This was on account of increase in the number of employees. Our personnel expenses were 43.92% and 38.64% of our total income for Fiscal year ended March 31, 2012 and Fiscal year ended March 31, 2011 respectively.



Operating & Administrative Expenses

Our operating & administrative expenses increased by 193.16% from ₹ 3,21,081 in Fiscal year ended March 31, 2011 to ₹ 9,41,294 in Fiscal year ended March 31, 2012 on account of substantial increase in operations, which lead to increase in related expenses like conveyance and travelling, electricity charges, postage and telegram expenses, etc. Our operating & administrative expenses were 13.37% and 23.80% of our total income for Fiscal year ended March 31, 2012 and Fiscal year ended March 31, 2011 respectively.

Financial Expenses

Our financial charges increased by 610.63% from ₹ 2,279 in Fiscal year ended March 31, 2011 to ₹ 16,198 in Fiscal year ended March 31, 2012 due to increase in interest paid on borrowings and bank facility availed from banks. Our financial charges were 0.23% and 0.17% of our total income for Fiscal year ended March 31, 2012 and Fiscal year ended March 31, 2011 respectively.

Depreciation

Our depreciation expenses for the Fiscal year ended March 31, 2012 were ₹ 48,391 as compared to Nil in the Fiscal year ended March 31, 2011. Our depreciation charges were 0.69% of our total income for Fiscal year ended March 31, 2012.

Profit before tax and after extraordinary items

Principally due to reasons described above, our profit before tax and after extraordinary items increased by 483.72% from ₹ 5,04,335 in Fiscal year ended March 31, 2011 to ₹ 29,43,917 in Fiscal year ended March 31, 2012.

Net Profit after tax as Restated

Our restated Net Profit after tax increased by 508.77% from ₹ 3,62,247 in Fiscal year ended March 31, 2011 to ₹ 22,05,237 in Fiscal year ended March 31, 2012. The increase in our net profit after tax primarily reflected the increase in our income from operations, which was partially offset by an increase in our staff costs and administrative expenses.

Comparison of Fiscal 2011 with Fiscal 2010

Incomes

Income from operations

Our income from advisory fees increased by 208.75% from ₹ 2,34,815 in Fiscal year ended March 31, 2010 to ₹ 7,25,000 in Fiscal year ended March 31, 2011. This was primarily due to an increase in fee based income from corporate advisory services in relation to debt syndication and merger & acquisition. Our Income from investing activities increased by 383.30% from ₹ 1,29,090 in Fiscal year ended March 31, 2010 to ₹ 6,23,895 in Fiscal year ended March 31, 2011. This was on account of substantial increase in income from financing activities.

Expenditure

Personnel Expenses

Our personnel expenses increased by 110.16% from ₹ 2,48,000 in Fiscal 2010 to ₹ 5,21,200 in Fiscal 2011. This was on account of increase in number of employees. Our personnel expenses were 38.64% and 68.15% of our total income for Fiscal 2011 and Fiscal 2010 respectively.



Operating & Administrative Expenses

Our operating & administrative expenses increased by 682.09% from ₹ 41,054 in Fiscal year ended March 31, 2010 to ₹ 3,21,081 in Fiscal year ended March 31, 2011 on account of substantial increase in operations, leading to increase in the related expenses like rent, telephone expenses, etc. Our operating & administrative expenses were 23.80% and 11.28% of our total income for Fiscal year ended March 31, 2011 and Fiscal year ended March 31, 2010 respectively.

Financial Expenses

Our financial charges increased by 49.67% from ₹ 1,523 in Fiscal year ended March 31, 2010 to ₹ 2,279 in Fiscal year ended March 31, 2011 on account of increase in banking facility availed from banks. Our financial charges were 0.17% and 0.42% of our total income for Fiscal year ended March 31, 2011 and Fiscal year ended March 31, 2010 respectively.

Profit before tax and after extraordinary items

Principally due to reasons described above, our profit before tax and after extraordinary items increased by 587.78% from ₹ 73,328 in Fiscal year ended March 31, 2010 to ₹ 5,04,335 in Fiscal year ended March 31, 2011.

Net Profit after tax as Restated

Our restated Net Profit after tax increased by 614.92% from ₹ 50,670 in Fiscal year ended March 31, 2010 to ₹ 3,62,247 in Fiscal year ended March 31, 2011. The increase in our net profit after tax primarily reflected the increase in our income from operations, which was partially offset by an increase in our staff costs and administrative expenses.

Comparison of Fiscal 2010 with Fiscal 2009

Incomes

Income from operations

Our income from advisory fees received increased by 95.68% from ₹ 1,20,000 in Fiscal year ended March 31, 2009 to ₹ 2,34,815 in Fiscal year ended March 31, 2010. This was primarily due to an increase in fee based income from corporate advisory services. Our income from investing activities was ₹ 1,29,090 in Fiscal year ended March 31, 2010 as compared to nil in Fiscal year ended March 31, 2009. This was primarily due to increase in interest income.

Expenditure

Personnel Expenses

Our personnel expenses increased by 228.48% from ₹ 75,500 in Fiscal year ended March 31, 2009 to ₹ 2,48,000 in Fiscal year ended March 31, 2010. This was due to increase in the number of employees. Our personnel expenses were 68.15% and 62.92% of our total income for Fiscal year ended March 31, 2010 and Fiscal year ended March 31, 2009 respectively.

Operating & Administrative Expenses

Our operating & administrative expenses increased by 45.45% from ₹ 28,225 in Fiscal year ended March 31, 2009 to ₹ 41,054 in Fiscal year ended March 31, 2010 on account of substantial increase in operations, leading to increase in related expenses like telephone expenses and legal and professional expenses. Our operating & administrative expenses were 11.28% and 23.52% of our total income for Fiscal year ended March 31, 2010 and Fiscal year ended March 31, 2011 respectively.



Financial Expenses

Our financial charges increased by 915.33% from ₹ 150 in Fiscal year ended March 31, 2009 to ₹ 1,523 in Fiscal year ended March 31, 2010 due to increase in banking facility availed from banks. Our financial charges were 0.42% and 0.13% of our total income for Fiscal year ended March 31, 2010 and Fiscal year ended March 31, 2009 respectively.

Profit before tax and after extraordinary items

Principally due to reasons described above, our profit before tax and after extraordinary items increased by 354.75% from ₹ 16,125 in Fiscal year ended March 31, 2009 to ₹ 73,328 in Fiscal year ended March 31, 2010.

Net Profit after tax as Restated

Our restated Net Profit after tax increased by 399.58% from ₹ 10,143 in Fiscal year ended March 31, 2009 to ₹ 50,670 in Fiscal year ended March 31, 2010. The increase in our net profit after tax primarily reflected the increase in our income from operations, which was partially offset by an increase in our staff costs and administrative expenses.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in the Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the chapters titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on pages 12 and 153 respectively of the Draft Prospectus 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 of our Company from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on pages 12 and 153 respectively of the Draft Prospectus 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 of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled “*Risk Factors*” on page 12 of the Draft Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in financial advisory services industry. Relevant industry data, as available, has been included



in the chapter titled “*Industry Overview*” beginning on page 77 of the Draft Prospectus.

7. Status of any publicly announced new products or business segments

Please refer to the chapter titled “*Business Overview*” beginning on page 95 of the Draft Prospectus.

8. The extent to which the business is seasonal.

Our business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers

There is no dependence on a single or few suppliers or customers.

10. Competitive Conditions

Despite the fact that we are not affected by competition in the short-term, our results of operations could be affected by competition in the financial advisory services sector in India in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established financial advisory services companies. This we believe may impact our financial condition and operations.



SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES

Our Company certifies that except as stated herein, there is no outstanding or pending litigation, suit, economic offence, criminal or civil prosecution, proceeding, proceeding initiated for offence (irrespective of whether specified in paragraph (I) of Part I of Schedule XIII of the Companies Act) or litigation for tax liabilities against our Company, our Directors or our Promoter or Promoters Group companies and there are no defaults to banks/financial institutions, non-payment of or overdue statutory dues, or dues towards holders of any debentures, bonds and fixed deposits and arrears of preference shares, other unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters, the Directors and Promoter Group Companies.

Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoters, the Directors or the Promoters Group, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of our Company. Further, there are no cases of litigations, defaults etc. in respect of Companies/firms/Ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated.

Further, except as stated herein, there are no show-cause notices / claims served on our Company, our Promoters, our Directors or Promoter Group from any statutory authority / revenue authority that would have a material adverse affect on our business.

Notices received by the Company:

- Our Company has received a arrear demand notice u/s. 143(1) of the Income Tax Act, 1961 from the Asst Commissioner Of Income Tax – CPC (Bangalore) amounting to ₹ 7,982/- for the Assessment Year 2007-08. Our Company has replied to this notice and requested for the rectification order u/s. 154 of the Income Tax Act, 1961 as there was an error on the part of the Income Tax Department by not taking into consideration the amount of Tax Deducted at Source (TDS) while calculating the amount of arrear demand. The same is now pending at the Income Tax Department's end.

Past cases in which penalties have been imposed on the company

Except as stated below, there are no cases in the last five years in which penalties have been imposed on the Company:

- Our Company opted to pay the Profession Tax dues in the amnesty scheme during the Financial Year 2007 -08. While paying such dues, our Company paid ₹.390 as a penalty on account of non-payment of Profession Tax on time for the previous years.

Material Developments

Except as stated in the chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page 153 of the Draft Prospectus and our “*Financial Statements*” included herein, no material developments have taken place after March 31, 2012, the date of the latest balance sheet, that would materially adversely affect the performance of our Company. In accordance with SEBI requirements, our Company and the Lead Manager shall ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.



GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, we can undertake this Issue and our present business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue and our present business activities.

It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed.

Approvals for the Issue

- (a) The Board of Directors has, pursuant to a resolution passed at its meeting held on October 21, 2011 authorized the Issue, subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act.
- (b) The shareholders have, pursuant to a special resolution at the Extraordinary General Meeting held on November 15, 2011 under section 81(1A) of the Companies Act, authorised the Issue.
- (c) In principal approval for using its name in the Prospectus dated [●] from the BSE.

Corporate related approvals

Sr. No.	Nature of License/Approvals	Authority	Particulars of License/Approvals	Granted on	Validity Period
1.	Certificate of Incorporation	Registrar of Companies, Mumbai	Corporate Identity Number: U74140MH1999PTC120470	June 22, 1999	Perpetual
2.	Fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company	Registrar of Companies, Mumbai	Corporate Identity Number: U74140MH1999PLC120470	November 18, 2011	Perpetual

Business related approvals / General approvals

Sr. No.	Nature of License/Approvals	Authority	Particulars of License/Approvals	Validity Period
1.	Registration Certificate of Establishment under Bombay Shops and Establishment Act	Inspector, Bombay Shops & Establishments Act, 1948	Regn. No. 760227274 / Commercial II, granted on November 16, 2011	Valid till 31.12.2012
2.	Permanent Account Number under the Income Tax Act, 1961	Income Tax Department, Government of India	AADCS1824J	Perpetual
3.	Tax Deduction Account Number (TAN) under the Income Tax Act, 1961	Income Tax Department, Government of India	MUMS68220F	Perpetual
4.	Service Tax Registration Number	The Superintendent, Central Registration Unit, Service Tax – I, Dn-II, Mumbai	AADCS1824JSD005	Perpetual
5.	Professional Tax Registration Number	Profession Tax Officer, Profession Tax Division,	P.T.E.C. No. 99401605927P	Perpetual




Sr. No.	Nature of License/Approvals	Authority	Particulars of License/Approvals	Validity Period
	under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Mumbai		
6.	Professional Tax Registration Number under Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Profession Tax Officer, Profession Tax Division, Mumbai	P.T.R.C. No. 27815200982P	Perpetual

In terms of section 45-IA of the RBI Act, 1934 it is mandatory for a company to obtain Certificate of Registration (CoR) from RBI before commencing or carry on business of a non-banking financial institution. In this regard, it is further clarified by RBI through a press release (Ref. No. 1998-99 / 1269) dated April 8, 1999 that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. A company will be treated as an Non-Banking Financial Company (NBFC), if its (a) financial assets are more than 50 percent of its total assets (netted off by intangible assets); and (b) income from financial assets are more than 50 percent of the gross total income. Both these tests are required to be satisfied as the determinant factor for principal business of the company.

As on the date of the Draft Prospectus, our Company is not required to obtain registration as an NBFC with the RBI for carrying on the investment activities. However, our Company will obtain the necessary registration when it becomes applicable.

Pending Approvals

We have applied for following Approvals and yet to be received by our company:

Sr. No.	Nature of License/Approvals	Class	Application No.	Application Date	Status
1.	 SANGAM ADVISORS LIMITED	36	2315286	April 13, 2012	Pending



OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board dated October 21, 2011. The shareholders have authorised the Issue by a special resolution passed pursuant to section 81(1A) of the Companies Act at the EGM of our Company held on November 15, 2011.

Our Company has obtained in-principle approval from the SME Platform of BSE for using its name in the Prospectus pursuant to letter dated [●]. BSE is the Designated Stock Exchange.

Prohibition by SEBI

Our Company, our Directors, our Promoters, the Promoter Group or the person(s) in control of our Company have not been debarred from accessing the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or the RBI or any other regulatory or governmental authority. The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

The companies, with which any of the Promoters, Directors or persons in control of our Company are or were associated as promoters, directors or persons in control, have not been debarred from accessing the capital markets under any order or direction passed by SEBI or the RBI or any other regulatory or governmental authority.

Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Draft Prospectus or (b) delisted from the stock exchanges.

None of the Directors, except Mr. Gauri Shankar Bajaj and Ashok Khajanchi are associated in any manner with the securities market. Mr. Gauri Shankar Bajaj is associated with securities market as a sub-broker having SEBI registration No. INSO12440116 / 01 – 07277 and Mr. Ashok Khanjanchi is associated with the securities market as a REMISIER having registration number R / 0089 / 009612 / 17 //02 /2006. We confirm that no action has been initiated against these entities.

Prohibition by RBI

Our Company, our Directors, our Promoters, the relatives (as defined under the Companies Act) of our Promoter, the Promoter Group and companies in which our Directors, Promoter are associated as directors or promoter have not been declared as willful defaulters by RBI or any other governmental authorities, except as details provided in the chapter “*Outstanding Litigations, Material Developments and Other Disclosures*” beginning on page 163 of the Draft Prospectus.

Eligibility for the Issue

Our company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our company is eligible for the Issue in accordance with Regulation 106(M)(1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an issuer whose post issue paid up capital is less than 10 Crores and we may hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “SME Platform of BSE”).

We confirm that:

- a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is hundred percent underwritten and that the Lead Manager to the Issue has underwrite more than 15% of the Total Issue Size. *For further details*



pertaining to said underwriting please refer to “General Information – Underwriting” on page 42 of this Draft Prospectus.

- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 73 of the Companies Act.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that have entered into an agreement with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares on the SME Platform of BSE. *For further details of the arrangement of market making please refer to “General Information – Details of the Market Making Arrangements for this Issue” on page 42 of this Draft Prospectus.*

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Exchange / Platform BSE circular dated April 19, 2012, which states as follows:

1. Net Tangible assets of at least ₹ 1 crore as per the latest audited financial results
2. Net worth (excluding revaluation reserves) of at least ₹ 1 crore as per the latest audited financial results
3. Track record of distributable profits in terms of sec. 205 of Companies Act, 1956 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. *Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the networth shall be at least ₹ 3 crores.*
4. The post-issue paid up capital of the company shall be at least ₹ 1 crores
5. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
6. Companies shall mandatorily have a website
7. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
8. There is no winding up petition against the Company that has been accepted by a Court.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD



MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS 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 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 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 PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER 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 PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF



LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.

- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:**
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT**



IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR.**



Aryaman Financial Services Limited

Sr. No	Issue Name	Issue size (₹ in cr.)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar days from listing day (Closing)
1	Midvalley Entertainment Limited	60.00	70	27-Jan-2011	73.00	58.05	(17.07%)	18684.43	58	18008.15	60.55	18273.80	86.05	17700.91
2	BCB Finance Limited	8.85	25	13-Mar-2012	27.00	25.70	2.80	17,813.62	25.30	17257.36	N.A.	N.A.	N.A.	N.A.

Financial Year	Total no. of IPOs	Total Funds Raised (₹ Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30 th calendar day from listing day			Nos. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2011-12	1	8.85	-	-	-	-	-	1	-	-	-	-	-	-
2010-11	1	60.00	-	-	-	-	-	-	-	-	-	-	-	1
2009-10	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note:

- (a) In case the 10th, 20th and 30th calendar day from the date of listing is a holiday, the share price and benchmark index is taken for the immediately following working day.
- (b) BSE SENSEX has been considered as the benchmark index.



Note:

The filing of this Offer Document does not, however, absolve our Company from any liabilities under section 63 and section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead Merchant Banker any irregularities or lapses in the Offer Document.

Caution - Disclaimer from our Company and the Lead Manager

Our Company, our Directors, and the Lead Manager accept no responsibility for statements made otherwise than in the Draft Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site www.sangamadvisors.com would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU entered into between the Lead Manager Aryaman Financial Services Limited and our Company dated April 10, 2012, and the Underwriting Agreement dated May 12, 2012 entered into between the Underwriters (Aryaman Financial Services Limited, K.M. Jain Stock Brokers Pvt. Ltd.) and our Company and the Market Making Agreement dated May 12, 2012 entered into among the Market Maker, Lead Manager Aryaman Financial Services Limited and our Company.

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

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Promoter Group, affiliates or Associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our Promoter Group, affiliates or Associates for which they have received, and may in future receive, compensation.

Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our 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 of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to Persons resident in India (including Indian nationals resident in India), who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the 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, state industrial development corporations, Venture Capital Funds (VCFs) registered with SEBI, Insurance Companies registered with Insurance and Regulatory Development Authority, Provident Funds (subject to applicable law) with minimum corpus of ₹ 2,500 lakhs and pension funds with minimum corpus of ₹ 2,500 lakhs, and to permitted non residents including FIIs, eligible NRIs, multilateral and bilateral development financial institutions, foreign venture capital investors registered with SEBI and eligible foreign investors provided they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. The Draft Prospectus does not,



however, constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered hereby in any other jurisdiction to any Person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any Person into whose possession the Draft Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold 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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create 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 from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer Clause of the SME Platform of BSE

As required, a copy of the Draft Prospectus shall be submitted to the SME Platform of BSE. The Disclaimer Clause as intimated by the SME Platform of BSE to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to filing with ROC.

Filing

A copy of this Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Regulation 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the Corporate Finance Department, Plot No. C-4A, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.

A copy of the Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the RoC situated at Everest Building, 100, Marine Drive, Mumbai 400 002, Maharashtra.

Listing

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In-principle approval from SME Platform of BSE. However applications will be made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE will be the



Designated Stock Exchange, with which the Basis of Allotment will be finalised.

The SME Platform of BSE has given its in-principal approval for using its name in our Prospectus vide its letter dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the BSE mentioned above are taken within twelve Working Days from the Issue Closing Date.

Impersonation

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

“Any person who:

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

Consents

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary, the Compliance Officer, the Auditors, the Banker(s) to the Issue; and (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Legal Advisor to the Issue, Underwriters and Market Maker to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the ROC, as required under sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. R.T. Jain, Chartered Accountants, the Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their report dated April 26, 2012 on restated financial statements and Statement of Possible Tax Benefits dated May 3, 2012 relating to the possible tax benefits, as applicable, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Draft Prospectus.

Experts to the Issue

Except for the “Statement of Possible Tax Benefits” report dated May 3, 2012 from the Statutory Auditors, our Company has not obtained any expert opinions.



Expenses of the Issue

The total expenses of the Issue are estimated to be approximately ₹ 42 lakhs. The expenses of this Issue include, among others, underwriting and management fees, SCSB's commission/fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. All expenses with respect to the Issue would be paid by our Company.

The estimated Issue expenses are as under:

Activity	Expenses (₹ in lakhs)	Percentage of Issue Expenses	Percentage of the Issue Size
Payment to Merchant Bankers including fees and reimbursements of selling commissions, Underwriting, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc and other out of pocket expenses	22.00	52.38%	4.34%
Printing and Stationery and postage expenses	6.00	14.29%	1.18%
Advertising and Marketing expenses	5.00	11.90%	0.99%
Regulatory fees and expenses	8.00	19.05%	1.58%
Other Expenses	1.00	2.38%	0.20%
Total estimated issue expenses	42.00	100.00%	8.29%

Fees Payable to the Lead Manager

The total fees payable to the Lead Manager will be as per the Memorandum of Understanding dated April 10, 2012 with the Lead Manager Aryaman Financial Services Limited the Underwriting Agreement dated May 12, 2012 and the Market Making Agreement dated May 12, 2012 among the Company and the Lead Manager and other parties, a copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company 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 the per the MoU between our Company and the Registrar to the Issue dated March 15, 2012.

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 them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offer of our Company, 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 our Equity Shares since our incorporation.

Previous Rights and Public Issues

We have not made any previous rights and public issues in India or abroad in the five years preceding the date



of the Draft Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page 44 of the Draft Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

Companies under the same management

Except as stated in the section titled “Our Promoter and “our Promoter Group” beginning on page 125 and 130 respectively of this Draft Prospectus, there are no companies under the same management within the meaning of former section 370 (1B) of the Companies Act. No company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years.

Promise v. Performance – Associates

Our Company and Promoter Group have not made any previous rights and public issues.

Outstanding Debentures, Bond Issues, or Preference Shares

Our Company does not have any outstanding debentures, bonds or preference shares as of the date of the Draft Prospectus.

Stock Market Data for our Equity Shares

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchanges.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the 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, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Applicants.

Our Board by a resolution on February 25, 2012 constituted a Shareholders/Investors Grievance Committee. The composition of the Shareholders/Investors Grievance Committee is as follows:

Name of Director	Designation in Committee	Nature of Directorship
i). Mr. Ashok Khajanchi	Chairman	Non Executive & Independent
ii). Mr. Madan Sanghi	Member	Non Executive & Independent
iii).Mr. Anil Patodia	Member	Executive



For further details, see section titled “Our Management” beginning on page 110 of this Draft Prospectus.

We have also appointed Mr. Suraj Gulgulia as the Compliance Officer for this Issue and he may be contacted at the registered office of the Company. Her contact details are as follows:

Mr. Suraj Gulgulia

33/34, 3rd Floor, Printing House,
28-D, Police Court Lane,
Behind Old Handloom House,
Fort, Mumbai – 400 001.
Maharashtra, India.
Tel. No.: +91 – 22 – 2262 1318
Fax No.: +91 – 22 – 2262 1318
Email: info@sangamadvisors.com

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager 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.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Change in Auditors

There has been no change in the statutory auditors of our Company for the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised our reserves or profits during the last five years, except as stated in the chapter titled “*Capital Structure*” beginning on page 44 of the Draft Prospectus.

Revaluation of Assets

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

Purchase of Property

Other than as disclosed in the Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Prospectus, other than property, in respect of which:

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made thereunder.

Servicing Behavior

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



or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled “*Related Party Transactions*” beginning on page 130 of the Draft Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.



SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The present Initial Public Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on October 21, 2011 and was approved by the Shareholders of the Company by passing Special Resolution at the Extraordinary General Meetings held on November 15, 2011 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to "*Main Provisions of the Articles of Association of the Company*" on page 202 of this Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 1956. For further details, please refer to "*Dividend Policy*" on page 131 of this Draft Prospectus.

Face Value and Issue Price

The Equity Shares having a Face Value of ₹10 each are being offered in terms of this Draft Prospectus at the price of ₹ 22 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "*Basis for Issue Price*" on page 64 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.



For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please refer to Section titled "*Main Provisions of Articles of Association of the company*" beginning on page 202 of this Draft Prospectus.

Minimum Application Value; Market Lot and Trading Lot

As per the provisions of the Depositories Act, 1996, the shares of a Body Corporate can be in Dematerialised form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only.

The trading of the equity shares will happen in the minimum contract size of 6,000 equity shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 6,000 Equity Shares subject to a minimum allotment of 6,000 Equity Shares to the successful applicants.

Minimum Number of Allottees

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

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

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may



thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten and the details of the same have been disclosed on page 42 of this Draft Prospectus.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.

Arrangements for disposal of odd lots

The trading of the equity shares will happen in the minimum contract size of 6000 shares. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please refer sub-heading "*Main Provisions of the Articles of Association of the company*" on page 202 of this Draft Prospectus.

Option to receive Equity Shares in Dematerialized Form

The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

Migration to Main Board

Our company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Company satisfy the eligibility criteria as specified in 26(1) of SEBI (ICDR) Regulations, 2009 either at the time of initial listing on SME platform or at the time of seeking migration to Main Board. However, same will not be applicable where the company had sought listing on SME platform by following the process and requirements prescribed in 26(2) (a) of SEBI (ICDR) Regulations, 2009.



Market Making

The shares offered through this issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of three years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "*General Information - Details of the Market Making Arrangements for this Issue*" on page 42 of this Draft Prospectus.

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

Withdrawal of the issue

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

- (i) The final listing and trading approvals of the SME Platform of BSE, which the Company shall apply for after Allotment and
- (ii) The final RoC approval of the Prospectus after it is filed with the RoC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with 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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital does not exceed ₹ 10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 179 and 185 of this Draft Prospectus.

Following is the issue structure:

Public issue of 23,04,000 equity shares of ₹ 10/- each (the "equity shares") for cash at a price of ₹ 22/- per equity share (including a share premium of ₹ 12/- per equity share) aggregating to ₹ 506.88 lakhs ("the issue") by Sangam Advisors Limited ("SAL" or the "Company" or the "Issuer").

The issue comprises a Net Issue to Public of 19,62,000 equity shares ("the Net issue") and a reservation of 3,42,000 equity shares for subscription by the designated market maker ("the Market Maker Reservation Portion").

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	19,62,000 Equity Shares	3,42,000 Equity Shares
Percentage of Issue Size available for allocation	85.16% of the Issue Size	14.84% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 6,000 equity shares and further allotment in multiples of 6,000 equity shares each. For further details please refer to " <i>Issue Procedure - Basis of Allotment</i> " on page 190 of this Draft Prospectus.	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
Minimum Application Size	<i>For QIB and NII:</i> Such number of equity shares in multiples of 6,000 equity shares such that the Application Value exceeds ₹ 2,00,000/- <i>For Retail Individuals:</i> 6,000 equity shares	3,42,000 Equity Shares



Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Maximum Application Size	<p><i>For QIB and NII:</i></p> <p>Such number of equity shares in multiples of 6,000 equity shares such that the Application Size does not exceed 19,62,000 equity shares.</p> <p><i>For Retail Individuals:</i></p> <p>Such number of equity shares in multiples of 6,000 equity shares such that the Application Value does not exceed ₹ 2,00,000/-.</p>	3,42,000 Equity Shares
Mode of Allotment	Dematerialized Form or Physical Form, at the option of the applicant	Dematerialized Form or Physical Form, at the option of the applicant
Trading Lot	6,000 Equity Shares	6000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

Withdrawal of the Issue

Our Company, in consultation with the LMs, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before Allotment. If our Company withdraws the Issue, our Company will issue a public notice within two days, providing reasons for not proceeding with the Issue. The LMs, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh draft offer document the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Draft Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

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

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



ISSUE PROCEDURE

Fixed Price Issue Procedure

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchange.

Application Form

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. The application form shall contain space for indicating number of specified securities subscribed for in demat and physical form. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the Application Form for various categories is as follows:

Category	Color
Indian Public / NRI's applying on a non-repatriation basis (ASBA and Non-ASBA)	White
Non-Residents including eligible NRI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA and Non-ASBA)	Blue

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Who can apply?

1. Indian nationals resident in India who are not minors in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta".



Applications by HUFs would be considered at par with those from individuals;

3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
6. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations, as applicable);
7. FIIs registered with SEBI;
8. Venture Capital Funds registered with SEBI;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or industrial research organizations authorized to invest in equity shares;
12. Insurance Companies registered with Insurance Regulatory and Development Authority;
13. Provident Funds with minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in equity shares;
14. Pension Funds with minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in equity shares;
15. Foreign Venture Capital Investors registered with SEBI;
16. Multilateral and bilateral development financial institutions;
17. National Investment Fund; and

Applications not to be made by:

- a. Minors
- b. Partnership firms or their nominations
- c. Foreign Nationals (except NRIs)
- d. Overseas Corporate Bodies

Participation by Associates of LMs

Except for the Underwriting Obligations, the Lead Manager shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the LMs may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.



Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centres of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. www.bseindia.com.

Option to Subscribe in the Issue

- a. Investors will have the option of getting the allotment of specified securities either in physical form or in dematerialization form.
- b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and NOT in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

Applications by Eligible NRIs/FII's on Repatriation Basis

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.



Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post Issue issued capital (i.e.10% of 61,02, 872 Equity Shares). 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 capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.

In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the Company for adoption.

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, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

Applications by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Applicants. The Company and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE

a) For Retail Individual Applicants

The Application must be for a minimum of 6000 Equity Shares and in multiples of 6,000 Equity Shares thereafter, so as



to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

b) For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 6000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by FIIs, 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 lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of ₹ 25 crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the LMs may deem fit.



Information for the Applicants:

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LMs will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our registered office or from the corporate office of the LMs.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LMs or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai.

Applicant's Depository Account and Bank Details

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LMs or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

BASIS OF ALLOTMENT

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

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).



2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 6,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 6,000 equity shares; and
 - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 6,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 equity shares.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 6000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below
 - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of BSE.

The Executive Director / Managing Director of the SME Platform of BSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

REFUNDS:

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the LMs shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.



In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non-Residents, NRIs, FIIs and foreign venture capital funds and all Non-Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

TERMS OF PAYMENT / PAYMENT INSTRUCTIONS

The entire issue price of ₹ 22 per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, The Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - Indian Public including eligible NRIs applying on non-repatriation basis: "Sangam Advisors Limited -Public Issue - R".
 - In case of Non-Resident Retail Applicants applying on repatriation basis: "Sangam Advisors Limited -Public Issue - NR"
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal



banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 15 days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

Payment by Stock invest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All



communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the LMs may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Grounds for Rejections

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

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as



- such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
 - PAN not mentioned in the Application Form;
 - GIR number furnished instead of PAN;
 - Applications for lower number of Equity Shares than specified for that category of investors;
 - Applications at a price other than the Fixed Price of The Issue;
 - Applications for number of Equity Shares which are not in multiples of 4,000;
 - Category not ticked;
 - Multiple Applications as defined in this Draft Prospectus;
 - In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
 - Applications accompanied by Stock invest/ money order/ postal order/ cash;
 - Signature of sole Applicant is missing;
 - Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
 - In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
 - Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
 - Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
 - Applications by OCBs;
 - Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
 - Applications not duly signed by the sole;
 - Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
 - Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
 - Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
 - Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
 - Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 5.00 pm on the 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."**

Signing of Underwriting Agreement

Vide an Underwriting agreement dated May 12, 2012 this issue is 100% Underwritten.



Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC in terms of Section 56 and Section 60 of the Companies Act.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Marathi newspaper with wide circulation.

Designated Date and Allotment of Equity Shares

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 days of the Issue Closing Date.

In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within three months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act, 1956 or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates.

After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of Allotment.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

PAYMENT OF REFUND

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LMs shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.



Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **NECS (National Electronic Clearing System)** -. Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.
- 2) **Direct Credit** - Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
- 3) **RTGS (Real Time Gross Settlement)** - Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 2.00 lakhs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
- 4) **NEFT (National Electronic Fund Transfer)** - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR 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.
- 5) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within seven working days of Allotment.



In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 12 (twelve) days of the Issue Closing Date;
- 2) Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Issue Closing Date would be ensured; and
- 3) The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 15 (fifteen) days time.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

- 1) That the complaints received in respect of this Issue shall be attended to by us expeditiously;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of Allotment;
- 3) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time; and
- 6) That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
- 7) The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 8) Adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 73 of the Companies Act;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and



- 4) Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the LMs reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, QIB Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated March 26, 2012, 2012 between NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated March 28, 2012 between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an ISIN No. INE299N01013

- An Applicant 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 Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis a vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related



problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA

Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account.

In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LMs.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.



Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.



SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the provisions of Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and other main provisions are as detailed below. Each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Title of Article	Article Number and contents
Share Capital	3. The authorized share capital of the Company is ₹ 7,00,00,000 (Rupees Seven Crore Only) divided into 70,00,000 Equity Shares of ₹ 10/- each. The Company may from time to time by Ordinary Resolution increase its authorised share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.
Increase of capital by the Company how carried into effect	4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97 of the Act.
New Capital same as existing capital	5. Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
Non Voting Shares	6. The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
Redeemable Preference Shares	7. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
Voting rights of preference shares	8. The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.
Provisions to apply on issue of Redeemable Preference Shares	9. On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of 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 redemption shall have been provided for out of the



Title of Article	Article Number and contents
	<p>profits of the Company or out of the Company's security premium account, before the Shares are redeemed.</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.</p> <p>(e) Subject to the provisions of Section 80 of the Act. The redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.</p>
Reduction of capital	<p>10.</p> <p>The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account.</p> <p>in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>
Purchase of own Shares	<p>11.</p> <p>The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.</p>
Sub-division consolidation and cancellation of Shares	<p>12.</p> <p>Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.</p>

MODIFICATION OF RIGHTS

Title of Article	Article Number and contents
Modification of rights	<p>13.</p> <p>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, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall <i>mutatis mutandis</i> apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.</p>



	The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking <i>pari passu</i> therewith.
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SHARES, CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and contents
Restriction on allotment and return of allotment	<p>14. The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.</p>
Further issue of shares	<p>15. (1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares then: (a) Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date; (b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of the offer and the offer, if not accepted, will be deemed to have been declined; (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right; (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company. (2) Notwithstanding anything contained in sub-clause (1), the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever. (a) If a Special Resolution to that effect is passed by the Company in General Meeting; or (b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company. (3) Nothing in sub-clause (c) of (1) hereof shall be deemed; (a) To extend the time within which the offer should be accepted; or (b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation. (4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued by the Company: (i) To convert such debentures or loans into Shares in the Company; or (ii) To subscribe for Shares in the Company PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term</p>



Title of Article	Article Number and contents
	<p>providing for such option and such term: (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that government in this behalf; and (b) In the case of debentures or loans or other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in the General Meeting before the issue of the loans.</p>
Shares at the disposal of the Directors	<p>16. Subject to the provisions of Section 81 of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.</p>
Power to offer to Shares/options to acquire Shares	<p>16A (i) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. (ii) In addition to the powers of the Board under Article 16A(i), the Board may also allot the Shares referred to in Article 16A(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A(i)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit. (iii) The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A(i) and (ii) above.</p>
Application of premium received on Shares	<p>17. (1) where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "the security premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the security premium account were paid up share capital of the Company. (2) The security premium account may, notwithstanding anything in clause (1) thereof be applied by the Company:</p>



Title of Article	Article Number and contents
	<p>(a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;</p> <p>(b) In writing off the preliminary expenses of the Company;</p> <p>(c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or</p> <p>(d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.</p>
<p>Power also to Company in General Meeting to issue Shares</p>	<p>18.</p> <p>In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.</p>
<p>Power of General Meeting to authorize Board to offer Shares/Options to employees</p>	<p>18A</p> <p>Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose</p> <p>In addition to the powers contained in Article 18A(i), the General Meeting may authorise the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.</p>
<p>Shares at a discount</p>	<p>19.</p> <p>The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely:</p> <p>(a) The issue of the Shares at discount is authorised by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board;</p> <p>(b) The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and</p> <p>(c) The Shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.</p>



Title of Article	Article Number and contents
Installments of Shares to be duly paid	<p>20.</p> <p>If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.</p>
The Board may issue Shares as fully paid-up	<p>21.</p> <p>Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.</p>
Acceptance of Shares	<p>22.</p> <p>Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.</p>
Deposit and call etc., to be debt payable	<p>23.</p> <p>The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.</p>
Liability of Members	<p>24.</p> <p>Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share 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 the Company's requirements require or fix for the payment thereof.</p>
Dematerialisation of securities	<p>25.(A)</p> <p>Definitions</p> <p>Beneficial Owner “Beneficial Owner” means a person whose name is recorded as such with a Depository.</p> <p>SEBI “SEBI” means the Securities and Exchange Board of India.</p> <p>Bye-Laws “Bye-Laws” mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;</p> <p>Depositories Act “Depositories Act” means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;</p> <p>Depository “Depository” means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of</p>



Title of Article	Article Number and contents
	<p>Section 12 of the Securities and Exchange Board of India Act, 1992;</p> <p>Record “Record” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;</p> <p>Regulations “Regulations” mean the regulations made by SEBI;</p> <p>Security “Security” means such security as may be specified by SEBI.</p>
Dematerialisation of securities	<p>25.(B) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.</p>
Options to receive security certificates or hold securities with depository	<p>25.(C) Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository. Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.</p>
Securities in depositories to be in fungible form	<p>25.(D) All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.</p>
Rights of depositories and beneficial owners	<p>25.(E) (1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;</p> <p>(2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;</p> <p>(3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.</p>
Depository To Furnish Information	<p>25.(F) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.</p>
Service of documents	<p>25.(G) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.</p>
Option to opt out in respect of any security	<p>25.(H) If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the</p>



Title of Article	Article Number and contents
	case may be.
Sections 83 and 108 of the Act not to apply	<p>25.(I) Notwithstanding anything to the contrary contained in the Articles, (1) Section 83 of the Act shall not apply to the Shares held with a Depository; (2) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.</p>
Share certificate	<p>26. (a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name. (b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.</p>
Limitation of time for issue of certificates	<p>26A. Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.</p>
Renewal of share certificates	<p>27. No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company. PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.</p>
Issue of new certificate in place of one defaced, lost or destroyed	<p>28. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ 2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such rules</p>



Title of Article	Article Number and contents
	<p>or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p> <p>The provision of this Article shall mutatis mutandis apply to Debentures of the Company.</p>
<p>The first name joint holder deemed sole holder</p>	<p>29.</p> <p>If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.</p>
<p>Issue of Shares without Voting Rights</p>	<p>30.</p> <p>In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.</p>
<p>Buy-Back of Shares and Securities</p>	<p>31.</p> <p>Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of section 77 and SEBI (Buy back of Shares) Regulations as may be permitted by law.</p>
<p>Employees Stock Options Scheme/ Plan</p>	<p>32.</p> <p>The Directors shall have the power to offer , issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated , created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.</p>
<p>Sweat Equity</p>	<p>33.</p> <p>Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.</p>
<p>Postal Ballot</p>	<p>34.</p> <p>The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company.</p>
<p>Company not bound to recognize any interest in Shares other than of registered holder</p>	<p>35.</p> <p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise</p>



Title of Article	Article Number and contents
	expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.
Trust recognised	<p>36.</p> <p>(a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.</p> <p>(b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.</p>
Declaration by person not holding beneficial interest in any Shares	<p>37.</p> <p>(1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act</p> <p>2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act</p> <p>(3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act</p> <p>(4) Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.</p>
Funds of Company not to be applied in purchase of Shares of the Company	<p>38.</p> <p>No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.</p>

UNDERWRITING AND BROKERAGE

Title of Article	Article Number and contents
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Title of Article	Article Number and contents
Commission may be paid	39. Subject to the provisions of Section 76 of the Act, the Company may at anytime pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company but so that the commission shall not exceed in the case of the Shares five percent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case may be or partly in one way and partly in the other.
Brokerage	40. The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.
Commission to be included in the annual return	41. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

DEBENTURES

Title of Article	Article Number and contents
Debentures with voting rights not to be issued	43. (a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business. (b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act. (c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act. (d) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered as provided in Section 125 of the Act. (e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance. (f) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred. (g) The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of debenture Trust Deed and inspection thereof. (h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.

CALLS

Title of Article	Article Number and contents
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Title of Article	Article Number and contents
Directors may make calls	<p>44.</p> <p>(a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.</p> <p>(b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p>
Notice of call when to be given	<p>45.</p> <p>Not less than fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.</p>
Call deemed to have been made	<p>46.</p> <p>A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.</p>
Directors may extend time	<p>47.</p> <p>The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extended such time to call or any of the Members, the Board of Directors may deem fairly entitled to such extension but no Member shall be entitled to such extension as of right except as a matter of grace and favour.</p>
Amount payable at fixed time or by installments to be treated as calls	<p>48.</p> <p>If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.</p>
When interest on call or installment payable	<p>49.</p> <p>If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.</p>
Evidence in action by Company against share holder	<p>50.</p> <p>On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it</p>



Title of Article	Article Number and contents
	<p>shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p>
<p>Payment in anticipation of calls may carry interest</p>	<p>51. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.</p> <p>The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.</p> <p>The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.</p>

LIEN

Title of Article	Article Number and contents
<p>Partial payment not to preclude forfeiture</p>	<p>52. Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.</p>
<p>Company's lien on Shares/ Debentures</p>	<p>53. The Company shall have first and paramount lien upon all Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article.</p>
<p>As to enforcing lien by sale</p>	<p>54. The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made:- (a) Unless a sum in respect of which the lien exists is presently payable; or (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.</p>



Title of Article	Article Number and contents
	<p>For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to execute a transfer there from behalf of and in the name of such Members</p> <p>(c) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.</p>
Application of proceeds of sale	<p>55.</p> <p>(a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and</p> <p>(b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).</p>

FORFEITURE OF SHARES

Title of Article	Article Number and contents
If money payable on Shares not paid notice to be given	<p>56.</p> <p>If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.</p>
Sum payable on allotment to be deemed a call	<p>57.</p> <p>For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.</p>
Form of notice	<p>58.</p> <p>The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>
In default of payment Shares to be forfeited	<p>59.</p> <p>If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.</p>
Notice of forfeiture to a Member	<p>60.</p> <p>When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.</p>
Forfeited Shares to be the property of the	<p>61.</p> <p>Any Share so forfeited, shall be deemed to be the property of the Company and may be</p>



Title of Article	Article Number and contents
Company and may be sold etc.	sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
Member still liable for money owing at the time of forfeiture and interest	62. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.
Effects of forfeiture	63. The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
Power to annul forfeiture	64. The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
Declaration of forfeiture	65 (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off. (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share. (d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment. (e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.
Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum.	66. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Cancellation of shares certificates in respect	67. Upon sale, re-allotment or other disposal under the provisions of these Articles, the



Title of Article	Article Number and contents
of forfeited Shares	certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
Evidence of forfeiture	68. The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
Validity of sale	69. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Surrender of Shares	70. The Directors may subject to the provisions of the Act, accept a surrender or any share from any Member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number and contents
No transfers to minors etc.	71. No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
Instrument of transfer	72. The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
Application for transfer	73. (a) An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee. (b) Where the application is made by the transferor and relates to partly paid 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 (c) For the purposes of clause (b) above 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 shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.



Title of Article	Article Number and contents
Execution of transfer	<p>74. The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.</p>
Transfer by legal representatives	<p>75. A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.</p>
Register of Members etc when closed	<p>76. The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.</p>
Directors may refuse to register transfer	<p>77. Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.</p>
Death of one or more joint holders of Shares	<p>78. In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.</p>
Titles of Shares of deceased Member	<p>79. The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the</p>



Title of Article	Article Number and contents
	name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act.
Notice of application when to be given	80. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.
Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)	81. Subject to the provisions of the Act and Article 78 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the “Transmission Clause”.
Refusal to register nominee	82. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.
Person entitled may receive dividend without being registered as a Member	83. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.
No fee on transfer or transmissions	84. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.
Transfer to be presented with evidence of title	85. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
Company not liable for disregard of a notice prohibiting registration of transfer	86. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had 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 to be required to regard or attend 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 to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.



SHARE WARRANTS

Title of Article	Article Number and contents
Power to issue share warrants	87. The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
Deposit of share warrants	88. (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant (b) Not more than one person shall be recognized as depositor of the Share warrant (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor
Privileges and disabilities of the holders of share warrant	89. (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.
Issue of new share warrant coupons	90. The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article Number and contents
Share may be converted into stock	91. The Company may, by Ordinary Resolution: (a) Convert any fully paid up Share into stock, and reconvert any stock into fully paid-up Shares.
Transfer of stock	92. The several holders of such stock may transfer there respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit. PROVIDED THAT the Board may, form time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.
Right of stock holders	93. The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them Shares from which the stock arose; but no such privilege or



Title of Article	Article Number and contents
	advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.
Regulation applicable to stock and share warrant	94. Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.

MEETING OF MEMBERS

Title of Article	Article Number and contents
Statutory meeting	100. The statutory meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business.
Annual Meeting General	101. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. 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 lapse between the date of one Annual General Meeting and that of next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Register under the provisions of Section 166 (1) of the Act to extend the time with which any Annual General Meeting may be held. Every Annual General Meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify as the Annual General Meeting. Then company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company, shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.
Report statement and registers to be laid before the Annual General Meeting	102. The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.
Extra-Ordinary General Meeting	103. All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.
Requisitionists' meeting	104. (1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting



Title of Article	Article Number and contents
	<p>otherwise resolves) at the expense of the requisitionists:-</p> <p>(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.</p> <p>(b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.</p> <p>(2) The number of Members necessary for a requisition under clause (1) hereof shall be (a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or</p> <p>(b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all.</p> <p>(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.</p> <p>(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:</p> <p>(a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.</p> <p>(i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting.</p> <p>(ii) the case of any other requisition, not less than two weeks before the Meeting, and</p> <p>(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.</p> <p>PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.</p> <p>(5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.</p> <p>(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.</p>
Extra-Ordinary General Meeting by Board and by requisition	<p>105.</p> <p>(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.</p>



Title of Article	Article Number and contents
When a Director or any two Members may call an Extra Ordinary General Meeting	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.
Contents of requisition, and number of requisitionists required and the conduct of Meeting	<p>106.</p> <p>(1) In case of requisition the following provisions shall have effect:</p> <p>(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.</p> <p>(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.</p> <p>(c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.</p> <p>(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.</p> <p>(e) If the Board does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:</p> <p>(i) By the requisitionists themselves ; or</p> <p>(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (I) which ever is less. PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.</p> <p>(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:</p> <p>(a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but</p> <p>(b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.</p> <p>(3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.</p> <p>(4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p>
Length of notice of	107.



Title of Article	Article Number and contents
Meeting	<p>(1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.</p> <p>(2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:</p> <p>(i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and</p> <p>(ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.</p> <p>PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.</p>
Contents and manner of service of notice	<p>108</p> <p>(1) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat.</p> <p>(2) Subject to the provisions of the Act notice of every General Meeting shall be given;</p> <p>(a) to every Member of the Company, in any manner authorised by sub-sections (1) to (4) Section 53 of the Act;</p> <p>(b) to the persons entitled to a Share in consequence of the death, or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and</p> <p>(c) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of Members of the Company</p> <p>PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of Registered Office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.</p> <p>(3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.</p>
Special and ordinary business and explanatory statement	<p>109.</p> <p>(1)(a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to</p> <p>(i) the consideration of the accounts, balance sheet the reports of the Board of Directors and Auditors;</p> <p>(ii) the declaration of dividend;</p> <p>(iii) the appointment of Directors in the place, of those retiring; and</p> <p>(iv) the appointment of, and the fixing of the remuneration of the Auditors, and</p> <p>(b) In the case of any other meeting, all business shall be deemed special</p> <p>(2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item, of business, including in particular the nature of the concern or interest, if any, therein of every Director.</p> <p>PROVIDED THAT, where any such item of special business at the Meeting of the Company</p>



Title of Article	Article Number and contents
	<p>relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up-share capital of the other company.</p> <p>(3) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p>
Omission to give notice not to invalidate proceedings	<p>110.</p> <p>The accidental omission to give such notice as aforesaid to or non-receipt thereof by, any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.</p>

MEETING OF MEMBERS

Title of Article	Article Number and contents
Notice of business to be given	<p>111.</p> <p>No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.</p>
Quorum	<p>112.</p> <p>Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 187 of the Act.</p>
If quorum not present when Meeting to be dissolved and when to be adjourned	<p>113.</p> <p>If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjournment meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.</p>
Resolution passed at adjourned Meeting	<p>114.</p> <p>Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.</p>
Chairman of General Meeting.	<p>115.</p> <p>At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.</p>
Act for resolution sufficiently done or	<p>115(A)</p> <p>Any act or resolution which, under the provisions of these Articles or of the Act, is permitted</p>



Title of Article	Article Number and contents
passed by Ordinary Resolution unless otherwise required.	or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.
Business confined to election of Chairman whilst the Chair is vacant	116. No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.
Chairman may adjourn Meeting	117. (a) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place. (b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. (c) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting. (d) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting.
How questions are decided at Meetings	118. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.
Chairman's declaration of result of voting on show of hands	119. A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.
Demand of poll	120. Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
Time of taking poll	121. A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.
Chairman's casting vote	122. In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
Appointment of scrutineers	123. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to



Title of Article	Article Number and contents
	remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.
Demand for poll not to prevent transaction of other business	124. The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.
Special notice	125. Where by any provision contained in the Act or in these Articles, special notice is required for any resolution notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

VOTES OF MEMBERS

Title of Article	Article Number and contents
Member paying money in advance not to be entitled to vote in respect thereof	126. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.
Restriction on exercise of voting rights of Members who have not paid calls	127. No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
Number of votes to which Member entitled	128. Subject to the provisions of Article 126, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.
Votes of Members of unsound mind	129. A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.
Votes of joint Members	130. If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorised under a Power of Attorney or by proxy



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	<p>in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.</p>
Representation of body corporate	<p>131.</p> <p>(a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorised by resolutions aforesaid 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 if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat.</p> <p>(b) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.</p>
Votes in respects of deceased or insolvent Members	<p>132.</p> <p>Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.</p>
Voting in person or by proxy	<p>133.</p> <p>Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act.</p>
Rights of Members to use votes differently	<p>134.</p> <p>On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses</p>
Proxies	<p>135.</p> <p>Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend</p>



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	and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right what so ever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.
Proxy either for specified meeting or for a period	136. An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.
No proxy to vote on a show of hands	137. No proxy shall be entitled to vote by a show of hands.
Instrument of proxy when to be deposited	138. The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.
Form of Proxy	139. Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorised by it.
Validity of votes given by proxy notwithstanding revocation of authority	140. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
Time for objection to vote	141. No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.
Chairman of any Meeting to be the judge of Validity of any value	142. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.
Custody of Instrument	143. If any such instrument of appointment is confined to the object of appointing an attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.



DIRECTORS

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Number of Directors	144. 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 not more than twelve.
Directors	145. The persons hereinafter named shall be the first Directors of the Company:- (1) Mr. Bhanwar Lal Toshniwal (2) Ms. Deepa Toshniwal (3) Ms. Neelam Toshniwal
Debenture Directors	146. Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.
Nominee Director or Corporation Director	147. a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/ their places. b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company. c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall <i>ipso facto</i> vacate such office immediately on the moneys owing by the Company to the Corporation being paid off d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes. e) The sitting fees in relation to such Nominee Director(s) shall also accrue to



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	<p>the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation..</p> <p>Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.</p>
Special Director	<p>148.</p> <p>In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company , corporation ,firm or person herein-after in this clause referred to as “collaboration” to appoint from time to time any person as director of the company (hereinafter referred to as “special director”) and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.</p> <p>The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.</p> <p>It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more then one collaborator is so entitled there may be at any time as may special directors as the collaborators eligible to make the appointment.</p>
Limit on number of retaining Directors	<p>149.</p> <p>The provisions of Articles 146, 147,148 and 149 are subject to the provisions of Section 256 of the Act and number of such Directors appointed under Article 147 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.</p>
Alternate Director	<p>150.</p> <p>The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers</p>



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	and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.
Directors may fill in vacancies	151. The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.
Additional Directors	152. The Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board (“Additional Director”) so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only upto the date of the next Annual General Meeting and shall be eligible for election at such Meeting.
Qualification shares	153. A Director need not hold any qualification shares.
Directors’ sitting fees	154. The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.
Extra remuneration to Directors for special work	155. Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided. Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either: i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or ii) by way of commission if the Company by a Special Resolution authorised such payment.
Traveling expenses incurred by Directors on Company’s business	156. The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum as the Board may consider fair compensation for traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.



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Director may act notwithstanding vacancy	<p>157.</p> <p>The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number, of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.</p>
Board resolution necessary for certain contracts	<p>158.</p> <p>(1) Subject to the provisions of Section 297 of the Act, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company.</p> <p>(a) For the sale, purchase or supply of goods, materials or services; or</p> <p>b) for underwriting the subscription of any Share in or debentures of the Company;</p> <p>(c) nothing contained in clause (a) of sub-clause (1) shall affect:-</p> <p>(i) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or</p> <p>(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business, PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts;</p> <p>(2) Notwithstanding any contained in sub-clause(1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into.</p> <p>(3) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the data on which was entered into.</p> <p>(4) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.</p> <p>(5) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.</p>
Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Wholetime Director	<p>159.</p> <p>When the Company:-</p> <p>(a) enters into a contract for the appointment of a Managing Director or Wholetime Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or</p> <p>(b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.</p>



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<p>Directors of interest</p> <p>General notice of disclosure</p>	<p>160.</p> <p>(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299 (2) of the Act.</p> <p>(b) A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 299(3)(a) shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.</p>
<p>Directors and Managing Director may contract with Company</p>	<p>161.</p> <p>Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.</p>
<p>Disqualification of the Director</p>	<p>162.</p> <p>A person shall not be capable of being appointed Director of the Company if:-</p> <p>(a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;</p> <p>(b) he is an undischarged insolvent;</p> <p>(c) he has applied to be adjudged an insolvent and his application is pending;</p> <p>(d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;</p> <p>(e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or</p> <p>(f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that Section.</p>
<p>Vacation of office by Directors</p>	<p>163.</p> <p>The office of Director shall become vacant if:-</p> <p>(a) he is found to be of unsound mind by a Court of competent jurisdiction; or</p> <p>(b) he applies to be adjudged an insolvent; or</p> <p>(c) he is adjudged an insolvent; or</p> <p>(d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or</p> <p>(e) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or</p>



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	<p>(f) absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or</p> <p>(g) he (whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or</p> <p>(h) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or</p> <p>(i) he becomes disqualified by an order of the Court under Section 203 of the Act; or</p> <p>(j) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or</p> <p>(k) if by notice in writing to the Company, he resigns his office, or</p> <p>(l) having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.</p>
Vacation of office by Directors (contd.)	<p>164.</p> <p>Notwithstanding anything contained in sub-clauses (c), (d) and (i) of Article 162 hereof, the disqualification referred to in these clauses shall not take effect:</p> <p>(a) for thirty days from the date of the adjudication, sentence or order;</p> <p>(b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>(c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.</p>
Removal of Directors	<p>165.</p> <p>(a) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office.</p> <p>(b) Special Notice as provided by these Articles or Section 190 of the Act; shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.</p> <p>(c) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy; thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.</p> <p>(d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so:</p> <p>(i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and</p> <p>(ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default the Director may (without prejudice to his right to be heard orally)</p>



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	<p>require that the representation shall be read out at the Meeting; provided that copies of the representation need not be sent or read out at the Meeting if on the application, either of the Company or of any other person who claims to be aggrieved by the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.</p> <p>(e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 153 or Section 262 of the Act be filled by the: appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under Article 163 hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.</p> <p>(f) If the vacancy is not filled under sub-clause(e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 153 or Section 162 of the Act, and all the provisions of that Article and Section shall apply accordingly</p> <p>(g) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>(h) Nothing contained in this Article shall be taken:-</p> <p>(i) as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director, or</p> <p>(ii) as derogating from any power to remove a Director which may exist apart from this Article.</p>
Interested Directors not to participate or vote in Board's proceedings	<p>166.</p> <p>No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:-</p> <p>(a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;</p> <p>(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;</p> <p>(i) in his being:</p> <p>(a) a director of such company; and</p> <p>(b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or</p> <p>(ii) in his being a member holding not more than two percent of its paid-up share capital.</p>
Director may be director of companies promoted by the Company	<p>167.</p> <p>A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.</p>
Appointment of Sole Selling Agents	<p>168.</p> <p>a) The appointment, re-appointment and extension of the term of a sole selling agent, shall be regulated in accordance with the provisions of Section 294 of the Act and any Rules or Notifications issued by the competent authority in accordance with that Section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such rules or notifications, if any, as may be applicable.</p>



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	b) The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 294A of the Act.

ROTATION AND APPOINTMENT OF DIRECTORS

Title of Article	Article Number and contents
Rotation of Directors	169. Not less than two third of the total number of Directors shall (a) be persons whose period of the office is liable to termination by retirement by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.
Retirement of Directors	170. Subject to the provisions of Articles 148 and 150, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.
Retiring Directors	171. Subject to the provisions of Section 256 of the Act and Articles 146 to 153, at every Annual General Meeting of the Company, one-third or 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 the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 184, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.
Appointment of Technical or Executive Directors	172. a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors. b) Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.
Ascertainment of Directors retiring by rotation and filling of vacancies	173. Subject to Section 288 (5) of the Act, the Directors retiring by rotation under Article 174 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.
Eligibility for re-election	174. A retiring Director shall be eligible for re-election and shall act as a Director through out and till the conclusion of the Meeting at which he retires.
Company to fill vacancies	175. Subject to Sections 258, 259 and 294 of the Act, the Company at the General Meeting, at which a Director retires in manner aforesaid, may fill up the vacancy by appointing the retiring Director or some other person thereto.
Provision in default of appointment	176. (a) If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place. (b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the



Title of Article	Article Number and contents
	<p>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:</p> <p>(i) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost.</p> <p>(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.</p> <p>(iii) he is not qualified or is disqualified for appointment</p> <p>(iv) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or</p> <p>(v) the provision of the sub-section (2) of section 263 of the Act is applicable to the case.</p>
<p>Company may increase or reduce the number of Directors or remove any Director</p>	<p>177. Subject to the provisions of Section 252,255 and 259 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.</p>
<p>Appointment of Directors to be voted individually</p>	<p>178.</p> <p>(a) No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it.</p> <p>(b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.</p> <p>(c) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.</p>
<p>Notice of candidature for office of Directors except in certain cases</p>	<p>179.</p> <p>(1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director.</p> <p>(2) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office by serving individual notices on the Members not less than seven days before the Meeting provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention not less than seven days before the Meeting in at least two newspapers circulating in the place where the registered office of the Company is located of which one is published in the English language and the other in the regional language of that place.</p> <p>(3) Every person (other than Director retiring by rotation or otherwise or person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.</p> <p>(4) A person other than a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 252 of the Act ,appointed as a Director re-</p>



Title of Article	Article Number and contents
	appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.
Disclosure by Directors of their holdings of their Shares and debentures of the Company	180. Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.
Votes of Body Corporate	181. A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were an individual member of the company and the production of a copy of the Minutes of such resolution certified by a director or the copy of the Minutes of such resolution certified by a Director or the or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote.

MANAGING DIRECTOR

Title of Article	Article Number and contents
Powers to appoint Managing Director	182. Subject to the provisions of Section 267, 268, 269, 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Wholtime Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. (a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 1956. (b) Subject to the provisions of Sections 255 of the Act, the Managing Director shall not be while he continues to hold that office, subject to retirement by rotation.
Remuneration of Managing Director	183. Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.
Special position of Managing Director	184. Subject to any contract between him and the Company, a Managing or Wholtime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, <i>ipso facto</i> and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.



Title of Article	Article Number and contents
Powers of Managing Director	<p>185. The Director may from time to time entrust to and confer upon a Managing Director or Wholetime Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.</p>
	<p>186. The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p>
	<p>187. Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign and accept and endorse cheques on behalf of the Company.</p>
	<p>188. The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p>
	<p>189. Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>
Appointment and powers of Manager	<p>189A The Board may, from time to time, appoint any Manager (under Section 2(24) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may, confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient.</p>

WHOLE TIME DIRECTOR

Title of Article	Article Number and contents
Power to appoint Whole Time Director and/or Whole-time Directors	<p>190. Subject to the provisions of the Act and of these Articles, the Board may from time to time with such sanction of the Central Government as may be required by law appoint one or more of its Director/s or other person/s as Whole-Time Director or Whole-Time Directors of the Company out of the Directors/ persons nominated under Article only either for a fixed term that the Board may determine or permanently for life time upon such terms and conditions as the Board may determine or permanently for life time upon such terms and conditions as the Board thinks fit. The Board may by ordinary resolution and / or an agreement/s vest in such Whole-Time</p>



	Director or Whole Time Directors such of the powers authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period of periods and upon such conditions and subject to such restrictions as it may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and / or remove or dismiss him or them and appoint another or others in his or their place or places again out of the Directors / persons nominated under Article 192 only. The Whole Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of ordinary resolution or a Court act/s or an agreement/s under such terms not expressly prohibited by the Act.
To what provisions Whole time Directors shall subject	191. Subject to the provisions of Section 255 of the Act and these Articles, a Whole Time Director or Whole Time Director shall not, while he/they continue to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between him/they and the Company) he/ they shall be subject to the same provision as to resignation and removal as the other Directors, and he/they shall ipso facto and immediately ceases or otherwise under the sees to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act any Annual General Meeting and shall be re-appointed as a Director of Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Whole Time Directors.
Seniority of Whole Time Director and Managing Director	192. If at any time the total number of Managing Directors and Whole Time Directors is more than one-third who shall retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company

PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article	Article Number and contents
Meeting of Directors	193. The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 285 of the Act allow otherwise, Directors shall so meet at least once in every three months and at least four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum. Board meetings can be held through video conference as permitted under the provisions of the Act
Quorum	194. (a) Subject to Section 287 of the Act the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher. PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of remaining who are not interested) present at the Meeting being not less than two shall be the quorum during such time. (b)for the purpose of clause(a) (i) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any,



Title of Article	Article Number and contents
	<p>whose places may be vacant at the time, and</p> <p>(ii) “Interested Directors” means any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.</p>
<p>Procedure when Meeting adjourned for want of quorum</p>	<p>195.</p> <p>If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand, adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.</p>
<p>Chairman of Meeting</p>	<p>196.</p> <p>The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.</p>
<p>Question at Board meeting how decided</p>	<p>197.</p> <p>Subject to the provisions of Section 316, 372(5) and 386 of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.</p>
<p>Powers of Board meeting</p>	<p>198.</p> <p>A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.</p>
<p>Directors may appoint Committee</p>	<p>199.</p> <p>The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of the Act, and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.</p>
<p>Meeting of the Committee how to be governed</p>	<p>200.</p> <p>The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two.</p>
<p>Circular resolution</p>	<p>201.</p> <p>(a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 201 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held.</p> <p>(b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India</p>



Title of Article	Article Number and contents
	(not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.
Acts of Board or Committee valid notwithstanding defect in appointment	202. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and contents
Division of profits	212. (a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares. (b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.
The Company at General Meeting may declare dividend	213. The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.
Dividends out of profits only	214. No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.
Interim dividend	215. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Debts may be deducted	216. (a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. (b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.



Title of Article	Article Number and contents
Capital paid-up in advance to carry interest, not the right to earn dividend	217. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
Dividends in proportion to amounts paid-up	218. 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 provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.
No Member to receive dividend while indebted to the Company and the Company's right in respect thereof	219. No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
Effect of transfer of Shares	220. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
Dividend to joint holders	221. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
Dividend how remitted	222. The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
Notice of dividend	223. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.
Reserves	224. The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
Dividend to be paid within time required by law.	225. The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:- (a) where the dividend could not be paid by reason of the operation on any law; or (b) where a shareholder has given directions regarding the payment of the dividend and



Title of Article	Article Number and contents
	<p>those directions cannot be complied with; or</p> <p>(c) where there is dispute regarding the right to receive the dividend; or</p> <p>(d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or</p> <p>(e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.</p>
Unpaid or unclaimed dividend	<p>226.</p> <p>Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “Sangam Advisors Limited ____ (year) Unpaid Dividend Account”.</p> <p>Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 205C of the Act.</p> <p>No unclaimed or unpaid dividend shall be forfeited by the Board.</p>
Set-off of calls against dividends	<p>227.</p> <p>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 be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.</p>
Dividends in cash	<p>228.</p> <p>No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.</p>
Capitalisation	<p>229.</p> <p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.</p> <p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;</p> <p>(a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or</p> <p>(b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or</p>



Title of Article	Article Number and contents
	<p>(c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)</p> <p>(3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.</p>
Board to give effect	<p>230. The Board shall give effect to the resolution passed by the Company in pursuance of above Article.</p>
Fractional certificates	<p>231. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall; (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares and (b) Generally do all acts and things required to give effect thereto. (2)The Board shall have full power: (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also (b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares. (3) Any agreement made under such authority shall be effective and binding on all such Members. (4)That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.</p>

ACCOUNTS

Title of Article	Article Number and Contents
Books to be kept	<p>232. (1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to: (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place (b) all sales and purchases of goods by the Company (c) the assets and liabilities of the Company and (d) if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Government Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place. (2)Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to</p>



Title of Article	Article Number and Contents
	inspection by any Director during business hours.
Inspection by Members	233. No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorised by the Board.
Statements of accounts to be furnished to General Meeting	234. The Board of Directors shall from time to time in accordance with Sections 210, 211, 212, 216 and 217 of the Act, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.
Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 219	235. (1) The Company shall comply with the requirements of Section 219 of the Act. (2) The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.
Accounts to be audited	236. Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.
Appointment of Auditors	237. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 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 unless he is a retiring Auditor. (3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless: (a) he is not qualified for re-appointment; (b) he has given to the Company notice in writing of his unwillingness to be re-appointed; (c) a resolution has been passed at that Meeting appointing some body 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 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 any 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 sub-clause (4) becoming exercisable give notice of that fact to that Government. (6) The Directors may fill any casual vacancy in the office of Auditors, but while any such



Title of Article	Article Number and Contents
	<p>vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of art Auditor, the vacancy shall only be filled by the Company in General Meeting.</p> <p>(7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a 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 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 retiring Auditor shall not be re-appointed.</p>
<p>Accounts when audited and approved to be conclusive except as to errors discovered within 3 months</p>	<p>238. Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.</p>

DOCUMENTS AND NOTICES

Title of Article	Article Number and Contents
<p>To whom documents must be served or given</p>	<p>239. Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company, PROVIDED that when the notice of the Meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company under Article 109, a statement of material facts referred to in Article 100 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.</p>
<p>Members bound by documents or notices served on or given to previous holders</p>	<p>240. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.</p>
<p>Service of documents on the Company</p>	<p>241. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.</p>
<p>Authentication of documents and proceedings</p>	<p>242. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorised officer of the Company and need not be under the Seal of the Company.</p>



REGISTERS AND DOCUMENTS

Title of Article	Article Number and Contents
Registers and documents to be maintained by the Company	<p>243.</p> <p>The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:</p> <ul style="list-style-type: none"> (a) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act (b) Register of mortgages and charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 136 of the Act. (c) Register and index of Members and debenture holders as required by Sections 150, 151 and 152 of the Act. (d) Foreign register, if so thought fit, as required by Section 157 of the Act (e) Register of contracts, with companies and firms in which Directors are interested as required by Section 301 of the Act. (f) Register of Directors and Secretaries etc. as required by Section 303 of the Act. (g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act. (h) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 372(2) of the Act. (i) Copies of annual returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act. (j) Register of loans, guarantees, or securities given to the other companies under the same management as required by Section 370 of the Act.
Inspection of Registers	<p>244.</p> <p>The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.</p>

WINDING UP

Title of Article	Article Number and Contents
Distribution of assets	<p>245.</p> <p>If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.</p>
Distribution in specie or kind	<p>246.</p> <p>(a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of</p>



Title of Article	Article Number and Contents
	<p>the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.</p> <p>(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.</p> <p>(c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.</p>
Right of shareholders in case of sale	<p>247.</p> <p>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 against 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.</p>
Directors and others right to indemnity	<p>248.</p> <p>Subject to the provisions of Section 201 of the Act, every Director of officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) 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, officer or Auditor or other office of the Company 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 to him by the Court.</p>
Director, officer not responsible for acts of others	<p>249.</p> <p>Subject to the provisions of Section 201 of the Act no Director, Auditor or other officer of the Company shall be liable for the acts, 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 the title to any property acquired by order of the Directors for 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 for any loss or damages arising from the 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 any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.</p>



SECRECY CLAUSE

Title of Article	Article Number and Contents
Secrecy Clause	250. Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
No Member to enter the premises of the Company without permission	251. No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.



SECTION 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 Draft Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of the Draft Prospectus, delivered to the Registrar of Companies, Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 11.00 am to 5.00 pm on working days from the date of the Draft Prospectus until the Issue Closing Date.

Material Contracts

1. Memorandum of Understanding dated April 10, 2012 between our Company and the Lead Manager i.e. Aryaman Financial Services Limited
2. Memorandum of Understanding dated March 15, 2012 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the Lead Manager, Escrow Collection Banks, and the Registrar to the Issue.
4. Underwriting Agreement dated May 12, 2012 between our Company and the Lead Manager - Aryaman Financial Services Limited and the Market Maker – K.M. Jain Stock Brokers Pvt. Ltd.
5. Market Making Agreement May 12, 2012 between the Company, the Lead Manager - Aryaman Financial Services Limited and the Market Maker - K.M. Jain Stock Brokers Pvt. Ltd.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated March 26, 2012.
7. Tripartite agreement between the CDSL, our Company and the Registrar dated March 28, 2011.

Material Documents

1. Certificate of Incorporation.
2. Fresh Certificate of Incorporation consequent to change of name on conversion of Company from private to public limited company.
3. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
4. Resolution of the Board of Directors meeting dated October 21, 2011, authorising the Issue.
5. Resolution of the shareholders passed at the Extra Ordinary General Meeting dated November 15, 2011, authorising the Issue.
6. Consent of M/s. R.T. Jain & Co., the Peer Review Auditors of the Company for inclusion of their name in the Draft Prospectus.
7. Report of the Peer Review Auditor dated April 26, 2012 from M/s. R. T. Jain & Co., the Peer Review Auditors of the Company on our Company's restated financial statements for the years ended March 31, 2008, 2009, 2010, 2011 and 2012.



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8. Copy of certificate dated June 01, 2012 issued by M/s. Mahesh Bairat & Associates detailing the Funds Deployed as on May 31, 2012.
 9. Copy of the Statement of Possible Tax Benefits dated May 03, 2012 issued by the Statutory Auditors of the Company M/s. Mahesh Bairat & Associates, Chartered Accountants.
 10. Consents of Auditors, Bankers to the Company, Lead Manager, Legal Advisors to this Issue, Directors, Company Secretary, Compliance Officer, Registrars to this Issue, Market Maker and Escrow Collection Banks as referred to, in their respective capacities.
 11. Approval from BSE vide letter In-principle listing approvals dated [●] to use the name of BSE in this Offer Document for listing of Equity Shares on from the SME Platform of the BSE.
 12. Due Diligence certificate(s) dated [●] of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



DECLARATION

We, the Directors of the Company, hereby declare that, all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the regulations or guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992, each as amended or rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. Madan Sanghi, Non-Executive & Independent Chairman

Mr. Gauri Shankar Bajaj, Managing Director

Mr. Ravindra Kadam, Executive Director

Mr. Anil Patodia, Executive Director

Ms. Sarika Lahoti, Non-Executive Director

Mr. Suraj Gulgulia
CFO cum Compliance Officer

Mr. Ashok Kumar Khajanchi, Independent Director

Ms. Supriya Arora
Company Secretary

Date: June 02, 2012

Place: Mumbai