



Prospectus
Dated: May 13, 2013
Please read Section 60B of the Companies Act, 1956
Fixed Price Issue

Our Company was originally incorporated as Dynasore Leasing and Holding Private Limited on August 10, 1994 under the Companies Act, 1956 bearing Registration No. 060827 having its Registered Office in Delhi. Pursuant to a special resolution passed by the members on December 09, 2011, the name of the Company was changed to India Finsec Private Limited. Later the Company became a Public Limited Company pursuant to a special resolution passed by the members of our Company on December 19, 2011. For further details regarding the changes in our name and registered office, kindly refer to the Chapter titled "History and Certain Corporate Matters" beginning on page 95 of this Prospectus. The Company's Corporate Identity Number is U65923DL1994PLC060827.

Registered and Corporate Office: D-16, 1st Floor, Above ICICI Bank, Prashant Vihar, Sector – 14, Rohini, New Delhi – 110 085
Tel.: +91 –11- 45805612 / 47527593; **Fax:** +91 - 11- 27029051; **Email:** info@indiafinsec.com; **Website:** www.indiafinsec.com
Company Secretary and Compliance Officer: Ms. Rachna Bhasin
Our Promoters: Mr. Gopal Bansal and Mr. Mukesh Sharma

PUBLIC ISSUE OF 6,000,000 EQUITY SHARES OF A FACE VALUE ₹ 10/- EACH OF INDIA FINSEC LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 10/- PER EQUITY SHARE AGGREGATING TO ₹ 600 LACS (THE "ISSUE") OF WHICH 650,000 EQUITY SHARES OF ₹ 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY THE PROMOTERS (THE "PROMOTERS CONTRIBUTION") AND 350,000 EQUITY SHARES OF ₹ 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE PROMOTERS CONTRIBUTION AND THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 5,000,000 EQUITY SHARES OF ₹ 10/- EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.86% AND 25.72%, RESPECTIVELY OF THE POST ISSUE PAID UPEQUITY SHARE CAPITAL OF THE COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10/- EACH.

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 174 of this 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" beginning on page 180 of this 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 1.00 time 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" beginning on page 59 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares 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 11 of this 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 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 April 30, 2013 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").

BOOK RUNNING LEAD MANAGERS



ARYAMAN FINANCIAL SERVICES LIMITED
60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg,
Fort, Mumbai - 400 001, Maharashtra, India
Tel: +91 - 22 - 22618264; Fax: +91 - 22 - 22630434
Email: ipo@afsl.co.in; Investor Grievance Email: feedback@afsl.co.in
Website: www.afsl.co.in
SEBI Registration No.: MB / INM000011344
Contact Person: Ms. Ambreen Khan

REGISTRAR TO THE ISSUE



SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi -110020
Tel: .: +91 – 11 – 2681 2682; Fax: +91 – 11 – 30857562
Email: admin@skylinerta.com;
Investor Grievance Email: viren@skylinerta.com
Website: www.skylinerta.com
SEBI Registration No.: INE00003241
Contact Person: Mr. Virender Rana

ISSUE PROGRAMME

ISSUE OPENS ON: MAY 24, 2013

ISSUE CLOSES ON: MAY 28, 2013

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires the following terms in this Prospectus have the meaning given below:

General Terms

Term	Description
“We”, “us”, “our”, “the Issuer”, “the Company”, “our Company” or “IFL”	Unless the context otherwise indicates or implies, refers to India Finsec Limited.

Conventional / General Terms

Term	Description
AOA/Articles/ Articles of Association	Articles of Association of our Company.
Auditors	The statutory auditors of our Company being, Ajay Aaditya & Co., New Delhi.
Audit Committee	The audit committee constituted by our Board of Directors on February 06, 2013.
Board / Board of Directors	The Board / Board of Directors of our Company
Corporate / Registered Office	The Corporate / Registered Office situated at D-16, 1 st Floor, Above ICICI Bank, Prashant Vihar, Sector – 14, Rohini, New Delhi – 110 085
Directors	The Directors of our Company, unless otherwise specified
Group Companies	The companies, firms, ventures, etc. promoted by our Promoters, irrespective of whether such entities are covered under section 370(1) (B) of the Companies Act and as described in chapter titled “Our Group Companies” beginning on page 113 of this Prospectus.
Key Management Personnel	The personnel listed as Key Management Personnel in the Chapter titled “ <i>Our Management</i> ” beginning on page 98 of this Prospectus.
Memorandum/ Memorandum of Association	The Memorandum of Association of our Company, as amended
Promoter	Promoters of our Company being Mr. Gopal Bansal and Mr. Mukesh Sharma
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (zb) of the SEBI ICDR Regulations as disclosed in the Chapter titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 108 of this Prospectus.
Shareholders’/Investors’ Grievance Committee	The Shareholders’ / Investors’ Grievance committee constituted by our Board of Directors on February 06, 2013.

Issue Related Terms and Abbreviations

Term	Description
Allot/Allotment/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	A successful Applicant to whom the Equity Shares are Allotted
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the

	Company
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicants to make an Application authorising an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Applicants participating in the Issue
ASBA Account	Account maintained by an ASBA Applicant with a SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Applicant(s)	Prospective investors in this Issue who apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, Non- Retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications.
ASBA Public Issue Account	An Account of the Company under Section 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Investors
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are Clearing Members and registered with SEBI as Banker to an issue with whom the Escrow Account(s) will be opened and in this case being Axis Bank Limited and HDFC 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 “ <i>Issue Procedure</i> ” beginning on page 180 of this Prospectus
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Controlling Branches	Such Branches of the SCSBs which co-ordinate Applications 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.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	NSDL and CDSL
Depository Participant or DP	A Depository Participant as defined under the Depositories Act.
Designated Branches	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Applicants in the Issue.
Designated Market Maker / Market Maker	MSB E-Trade Securities Limited having its registered office at C-619, Ground Floor, Saraswati Vihar, Pitampura, New Delhi - 110034.
Designated Stock Exchange	BSE Limited
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository

	participants.
Equity Shares	Equity shares of our Company of ₹ 10/- each
Escrow Account(s)	An Account opened with the Escrow Collection Bank(s) and in whose favour the Applicants (excluding the ASBA Applicants) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	The agreement to be entered into among our Company, the Registrar to the Issue, the LM, the Escrow Collection Bank(s) and the Refund Bank for collection of the Application Amounts and where applicable, remitting refunds of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and conditions thereof
Issue / Issue size	Public Issue of 6,000,000 Equity Shares of face value ₹ 10 each for cash at a price of ₹ 10 per Equity Share aggregating to ₹ 600.00 Lacs by India Finsec Limited.
Issue Opening date	The date on which the Issue opens for subscription
Issue Closing date	The date on which the Issue closes for subscription
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being ₹ 10
Issue Procedure	The procedure to be followed for issue of Equity Shares by our Company under this Prospectus
Issue Proceeds	The proceeds of the Issue. For further information about use of the Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 55 of this Prospectus
Lead Manager / LM	Lead Manager to the Issue being Aryaman Financial Services Ltd.
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.
Market Maker Reservation Portion	The Reserved portion of 350,000 Equity shares of ₹ 10 each at ₹ 10 per Equity Share aggregating to ₹ 35lacs for Designated Market Maker in the Issue of India Finsec Limited
Marketing Making Agreement	The agreement dated March 20, 2013 entered into between the Lead Manager, Underwriter, Designated Market Maker and our Company.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only
Non-Institutional Applicant	All Applicants, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs)
Net Issue	The Issue (excluding the Market Maker Reservation Portion and Promoter Contribution Portion) of 50,00,000 Equity Shares of ₹ 10 each at ₹ 10 per Equity Share aggregating to ₹ 500 Lacs by India Finsec Limited
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Promoter’s Contribution	650,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 10 per share aggregating to ₹ 65 Lacs.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date
Qualified Foreign	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI

Investors / QFIs	registered FVCIs who meet ‘know your client’ requirements prescribed by SEBI
Qualified Institutional Buyers / QIBs	As defined under Regulation 2(1)(zd) of the SEBI Regulations, and includes Public Financial Institutions as specified in Section 4A of the Companies Act, 1956, Scheduled Commercial Banks, Mutual Funds registered with SEBI, FIIs and Sub-accounts registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, foreign venture capital investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with IRDA, Provident Funds with minimum corpus of ₹ 250 million, Pension Funds with minimum corpus of ₹ 250 million, the National Investment Fund set up by the Government of India, Insurance Funds set up and managed by army, navy or air force of the Union of India and Insurance Funds set up and managed by the Department of Posts, India
Refund Account(s)	The account opened with Refund Banker(s), from which refunds (excluding refunds to ASBA Applicants), if any, of the whole or part of the Application Amount shall be made
Refund Bank	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 HDFC Bank Limited
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar to the Issue	Skyline Financial Services Private Limited
Retail Individual Applicants	Individual Applicants (including HUFs applying through their Karta and Eligible NRIs) who have not applied for Equity Shares for an amount of more than ₹ 2,00,000 in the Issue
RoC / Registrar of companies	The Registrar of companies located at 4 th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110019
SEBI Regulations / SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
Self Certified Syndicate Bank(s) or SCSB(s)	A Bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application
Underwriters	Aryaman Financial Services Limited and MSB E-Trade Securities Limited
Underwriting Agreement	The agreement dated March 20, 2013 entered into between the Lead Manager, Underwriter, Designated Market Maker and our Company.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	All days other than a Sunday or a public holiday on which Commercial Banks in Mumbai are open for business

Company Related / Industry Related / Technical Terms and Abbreviations

Term	Description
APAC	Asia-Pacific
AE(s)	Advanced Economies
AFC(s)	Account Finance Companies
AIF(s)	Alternative Investment Funds
B.A.	Bachelor of Arts
B. Com.	Bachelor of Commerce
BG	Bank Guarantee

BIFR	Board for Industrial and Financial Reconstruction
Bps	Basis Points
BSE	BSE Limited or Bombay Stock Exchange Limited
C.A.	Chartered Accountant
CAD	Current Account Deficit
C.S.	Company Secretary
CDSL	Central Depository Services (India) Limited
CENVAT Rules	CENVAT Credit Rules, 2004
Companies Act	Companies Act, 1956
Competition Act	The Competition Act, 2002
CIC	Core Investment Companies
CRR	Cash Reserve Ratio
DIPP	Department Of Industrial Policy and Promotion
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMDE(s)	Emerging Market and Developing Economies
EL	Equipment Leasing
EPS	Earnings Per Share
Factories Act	The Factories Act, 1948
FDI	Foreign Direct Investment
FDI Circular	Circular 1 of 2012 which consolidates the policy framework on FDI, with effect from April 10, 2012
FEMA	Foreign Exchange Management Act, 1999
FIPB	Foreign Investment Promotion Board of the Government of India
FII(s)	Foreign Institutional Investors
FPO	Follow On Public Offer, Further Public Offer
Fiscal / Financial Year / FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FVCI	Foreign venture capital investor registered under the FVCI Regulations
GDP	Gross Domestic Product
GM	General Manager
HUF	Hindu Undivided Family
ICA	Industrial Computer Accountant
ICAI	Institute of Chartered Accountants Of India
ICD	Inter Corporate Deposit
ICDR / SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
IDF-NBFC(s)	Infrastructure Debt Fund NBFCs
IFSC	Indian Financial System Code
IFRS	International Financial Reporting Standards
IFC(s)	Infrastructure Finance Companies
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offer
IRDA	Insurance Regulatory & Development Authority
ISP	Integrated Steel Plant
IT Act	Income Tax Act, 1961
KYC Policy	Know Your Customer Policy
LLP	Limited Liability Partnership
LC(s)	Loan Companies

M.Com.	Masters of Commerce
MCX	Multi Commodity Exchange
MD	Managing Director
MFI(s)	Micro Finance Institutions
MICR	Magnetic Ink Character Recognition
MNBC	Miscellaneous Non Banking Company
MoU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NBFC-ND-NSI	Non Deposit taking Non-systemically Important Non Banking Finance Company
NCDEX	The National Commodity and Derivative Exchange
ND	Non Deposit
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NI Act	Negotiable Instruments Act, 1881
NII's	National Institutional Investors
No.	Number
NoC	No Objection Certificate
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NSI	Non Systemically Important
OCB(s)	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
OMO	Open Market Operation
OTCEI	Over The Counter Exchange Of India
p.a.	Per Annum
P/E	Price/Earnings Ratio
PMLA	Prevention Of Money Laundering Act, 2002
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RM	Raw Material
RoC	Registrar Of Companies, New Delhi
RoNW	Return on Net Worth
Rs. / Rupees / ₹ / INR	Indian Rupees
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985
SLR	Statutory Liquidity Ratio
SME Platform	The Small and Medium Enterprise platform of the Exchange is intended for small and medium sized companies with high growth potential

S & P CNX	Standard & Poors CRISIL NSE Index
Sq. ft.	Square Feet
Sq. mt.	Square Meter
Sr.	Senior
Sr. No.	Serial Number
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporates or foreign individuals.
TAN	Tax Deduction Account Number allotted under the Income Tax Act
TFT Segment	Trade For Trade Segment
U.S. / US / U.S.A / United States	The United States of America, together with its territories and possessions
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAR	Value-At-Risk
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 and the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
VP	Vice President
WTD	Whole Time Director

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” contained in this Prospectus are to the Republic of India. In this Prospectus, our Company has presented numerical information in “Lacs” units. One lac represents 1,00,000.

Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from our audited financial statements as on and for the Fiscal Years ended March 31, 2012, 2011, 2010, 2009 and 2008 and nine months period ended December 31, 2012, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

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

Any percentage amounts, as set forth in the section titled “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 11, 81 and 142 of this Prospectus, respectively, and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

Currency, Units of Presentation and Exchange Rates

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

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

Definitions

For definitions, please see the Chapter titled “*Definitions and Abbreviations*” beginning on page 01 of this Prospectus. In the Section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page 201 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government 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 and underlying assumptions are not guaranteed and their reliability cannot be assured.

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

FORWARD-LOOKING STATEMENTS

All statements contained in this Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the Steel industry in India and overseas in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Other 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 India and other countries;
- Our inability to maintain or enhance our brand recognition;
- Our inability to retain the services of our senior management, key managerial personnel and capable employees;
- Regulatory changes relating to the finance and capital market sectors in India and our ability ;
- Inability to adequately protect our trademarks;
- Failure to successfully upgrade our products and service portfolio, from time to time; and
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner.

For further discussions of factors that could cause our actual results to differ, please see the section titled “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 11, 81 and 142 of this Prospectus, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of this Prospectus. Our Company, our Directors, the LM, and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company and the LM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchange.

SECTION II: RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Offer Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Offer Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Offer Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

Materiality

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

- ✓ *Some events may not be material individually but may be found material collectively.*
- ✓ *Some events may have material impact qualitatively instead of quantitatively.*
- ✓ *Some events may not be material at present but may be having material impact in future.*

Note:

The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section. In this Offer Document, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" and elsewhere in this Offer Document unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Auditor's Report" prepared in accordance with the Indian Accounting Standards.

INTERNAL RISK FACTORS

- 1) As an NBFC, we face the risk of default and non-payment by borrowers and other counterparties. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may materially and adversely affect our profitability and asset quality.***

Any lending or investment activity is exposed to credit risk arising from the risk of default and nonpayment by borrowers and other counterparties. Our total loans and advances portfolio was ₹ 2933.17 Lacs, ₹ 3660.17 Lacs, ₹ 2744.14 Lacs and 953.43 Lacs as at December 31, 2012, March 31, 2012, 2011 and 2010 respectively. As at December 31, 2012, all the loans granted are unsecured loans and without any collateral. Approximately 50 % all of our loans in the portfolio are loans granted to Small and medium enterprises or individuals.

Till date we have not written off any Loans and Advances due to under recovery. However, the size of our loan portfolio is expected to grow as a result of our expansion strategy. This will expose us to an increasing risk of defaults as our portfolio expands. The borrowers and/or guarantors and/or third parties may default in their repayment obligations due to various reasons including insolvency, a lack of liquidity, and operational failure.

In particular, our proposed business of "Loan against Shares" and "Loan against Property" may have relatively higher sensitivity to equity and real estate market conditions and also the targeted individual borrowers are generally less financially robust than larger corporate borrowers and often do not have any credit history supported by tax returns and other related documents, as a result, are likely to be more severely affected by deteriorating economic conditions. In deciding whether to extend credit to, or to enter into transactions with,

customers and counterparties, we rely on published credit information relating to such parties and financial and other relevant information furnished to us by customers, and our personal contacts and networks based on which we perform our credit assessment. We cannot be certain that our risk management controls will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan accounts, particularly for individual borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our business, future financial performance and results of operations. If any of the aforesaid information, as obtained from customers and third parties, is misleading or inaccurate, the procedures that we follow may not be adequate or sufficient to provide accurate data as to the creditworthiness of our customers and counterparties. In the event that we do not accurately identify the risk of default, or if we rely on information that may not be true or may be materially misleading, our business, future financial performance and results of operations may be materially and adversely affected.

2) A significant portion of our loans granted are short term in nature.

All of the loans we issue are due within one year of disbursement or are to be renewed within one year if need be. The relatively short-term nature of our loans means that our long-term interest income stream is less certain than if a portion of our loans were for a longer term. In addition, our members may not obtain new loans from us upon maturity of their existing loans, particularly if competition increases. The potential instability of our interest income could materially and adversely affect our results of operations and financial position.

3) Our Investments and Trading Business has reported gross losses in the past. Sustained losses in the future from this vertical would lead to weaker financial performance and affect our sustainability.

Apart from our primary business of providing loans and services, we have been and continue to be involved in the business of investing and trading in securities of all kinds. We have reported gross losses of ₹ 26.05 lacs, ₹ 115.76 lacs and ₹ 1.25 lacs for the nine month period ending December 31, 2012, March 31, 2011 and March 31, 2010 respectively.

Even though after the appointment of our new Promoter/Managing Director – Mr. Gopal Bansal we propose to improve our internal systems and processes in order to ensure efficient returns on capital employed, there can be no assurance that we would not incur losses in the future. Sustained losses in the future from this vertical would lead to weaker financial performance and affect our sustainability.

4) We have in the past allotted shares for acquiring shares of other companies through a share swap deal without an independent valuation report of the target company. Misjudgments, if any in valuation of such transactions could materially adversely affect our results of operations and financial condition in the future.

Being an RBI Registered NBFC we regularly trade and invest in all kinds of listed as well as unlisted equity shares. On March 31, 2008 we have acquired the shares of two companies – namely – Sahaj Finvest Pvt. Ltd. and Aayashi Properties Pvt. Ltd. by way of a share swap deal, thereby allotting shares of our company to the respective sellers. We have not obtained any independent valuation report for these target companies prior to executing these share swap transactions and have relied on our management estimates for fair and proper valuation of these unlisted companies. Even though this transaction is more than 5 years old, we have already sold off these investments and we do not hold the same as on date, and hence this transaction cannot materially affect us in the future, we are still subject to risks arising from such transactions that we may enter into in the future with respect to our unlisted companies investment and trading business. Misjudgments, if any in valuation such transactions could materially adversely affect our results of operations and financial condition in the future.”

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

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

- 6) ***A significant portion of the issue proceeds are proposed to utilised to acquire office premises from our promoter group.***

We propose to acquire office premises currently owned by our promoter group from the Issue Proceeds. We intend to utilise ₹ 275.00 lacs in order to acquire said premises and the same represents 45.83 % of the total issue proceeds. Our company has obtained a independent valuation report from a government registered valuer in order to ensure that this acquisition is at fair market prices. However, we cannot be assured that this acquisition as and when completed would be relatively beneficial to our organisation and its future growth prospects. For further details regarding this office acquisition please refer to “Objects of the Issue” beginning on page 55 of this Prospectus.

- 7) ***As a consequence of being regulated as an NBFC we will have to adhere to certain individual and borrower group exposure limits and periodic reporting and compliances as specified under the RBI regulations and are subject to periodic RBI inspection and supervision. In the event that we are unable to comply with the regulatory requirements within the specified time limit, or at all, we may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of registration as an NBFC as the case may be. Any such action may adversely affect our business, prospects, result of operations, financial condition and the trading price of our Equity Shares.***

Our Company is regulated by the RBI as an NBFC-ND-NSI. Hence majority of the regulatory filings and exposure norms are not yet applicable to our company. However, the same may become applicable once we cross a certain benchmark limit as specified by RBI from time to time after which, we would be a NBFC-ND-SI and hence would have to adhere to individual and group borrower exposure limits and periodic reporting and other such compliances and procedures.

Secondly, even though, till date RBI has not conducted any Inspection of our company and its operations, the RBI has the right to conduct inspections of all NBFCs and notify its findings and observations to such NBFC, which is expected to respond to the RBI’s observations and provide clarifications and additional information, as necessary.

In the event that we are unable to comply with the regulatory requirements within the specified time limit, or at all, we may be subject to regulatory actions by the RBI including the levy of fines or penalties and/or the cancellation of registration as an NBFC. For further details, please see the chapter titled “Key Industry Regulations and Policies” beginning on page 88 of this Prospectus. We cannot assure you that we may not breach the exposure norms or other regulatory norms in the future. Any levy of fines or penalties or the cancellation of our registration as an NBFC by the RBI by the Government of India, due to the breach of exposure or other applicable norms, may adversely affect our business, prospects, and result of operations, financial condition and the trading price of our Equity Shares.


8) *We require certain approvals, licenses, registrations and permits for our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations.*

Our Company requires certain statutory and regulatory registrations, licenses, permits and approvals for our business. In future, we shall be required to renew such registrations and approvals and obtain new registrations and approvals for any proposed operations, including any expansion of existing operations. While we believe that we will be able to renew or obtain such registrations and approvals, as and when required, there can be no assurance that the relevant authorities will renew or issue any such registrations or approvals in the time frame anticipated by us or at all. Failure to obtain and renew such registrations and approvals with statutory time frame attracts penal provisions. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues, profits and operations and profits. For further details, please see the chapter titled “Government and Other Statutory Approvals” beginning on page 159 of this Prospectus.

9) *We have not entered into any definitive arrangements to monitor the utilization of the Issue Proceeds.*

As per the SEBI (ICDR) Regulation 2009, appointment of monitoring agency is required only for Issue size above ₹ 50,000 Lacs. Hence we have not appointed any monitoring agency and the deployment of Issue Proceeds as stated in the chapter titled “Objects of the Issue” beginning on page 55 of this Prospectus is not subject to monitoring by any independent agency. Major portion of the funds being raised through this Issue will be utilized for working capital requirements which are based on the management estimates.

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  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. For further details, please see the chapter titled “Government and Other Statutory Approvals” beginning on page 159 of this Prospectus.

11) *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.*

We have experienced negative operating as well as financial cash flows, in the past. Our net cash from / (used in) operating activities amounted to ₹ 675.67 Lacs for the nine months period ended December 31, 2012, ₹ (954.58) Lacs in fiscal 2012, ₹ (1797.73) Lacs in fiscal 2011 and ₹ (551) Lacs in fiscal 2010.

Our net cash from / (used in) investment activities amounted to ₹ (7.35) Lacs for the nine months period ended December 31, 2012, ₹ 26.65 Lacs in fiscal 2012, ₹ 426.11 Lacs in fiscal 2011 and ₹ 234.58 Lacs in fiscal 2010.

Our net cash from / (used in) financial activities amounted to ₹ (676.86) Lacs for the nine months period ended December 31, 2012, ₹ 865.65 Lacs in fiscal 2012, ₹ 1408.50 Lacs in fiscal 2011 and ₹ 357.51 Lacs in fiscal 2010.

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 Company's working capital, make new capital expenditure, pay dividends, repay loans, make new investments or fund other liquidity needs which could have a material adverse effect on our business and results of operations.

12) Our Promoters and Directors may have interest in our Company, other than reimbursement of expenses incurred or remuneration.

Our Promoters and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Group Entities, and benefits deriving from their directorship in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please see the chapters titled "Business Overview" and "Our Promoters and Promoter Group", "Related Party Transactions" and "Financial Statements" beginning on pages 81, 108, 117 and 119 respectively, of this Prospectus.

13) We are dependent on our Individual Promoters, Mr. Gopal Bansal and Mr. Mukesh Sharma for their expertise and market goodwill. Our separation, if any, from our Promoters may adversely affect our business.

We are dependent on our individual Promoters, Mr. Gopal Bansal and Mr. Mukesh Sharma for their expertise and market goodwill and our separation from our Promoters may adversely affect our business. We believe that our Promoters lend strength to the trust and reliability reposed in us and enables us to attract and retain fresh talent. Our separation, if any, with our Promoters for any reasons whatsoever shall adversely affect our business and results of operations.

14) If we are unable to retain the services of our key managerial personnel, our business and our operating results could be adversely impacted.

We are dependent on our key managerial personnel for setting our strategic direction and managing our business. The loss of our key managerial personnel may materially and adversely impact our business, results of operations and financial condition.

15) 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.

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.

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. 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) 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.

18) We have in the past entered into related party transactions and may continue to do so in the future.

We have entered into transactions with our promoters, our Group Companies and affiliates. For a list of related parties, please see the chapter titled “Financial Statements – Annexure XVII” beginning on page 135 of this Prospectus. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

19) Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be impaired.

Certain of our agreements, including, but not limited to, the Loan Agreements and KYC Documents etc may not be adequately stamped or registered under Indian law. In the event of any such irregularity, we may not be able to enforce our rights under such agreements, businesses or properties in the event of a dispute with a third party unless we pay the applicable duty as well as a penalty of up to ten times the amount of the stamp duty.

20) We have not taken any insurance coverage that can protect us against certain operational risks and we may be subject to losses that might happen because of non – existence of insurance policies.

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.

21) We face intense competition in our businesses, which may limit our growth and prospects.

Our Company faces significant competition in the businesses that we are involved in. In particular, we compete with other finance companies, both in India and abroad; and public and private sector commercial banks operating in the markets in which we are present. In recent years, large international banks have also entered these markets. For further details, please see the paragraph titled “Competition”, as contained in the chapter titled “Business Overview”, beginning on page 81 of this Prospectus. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

In addition, it is possible that certain Indian commercial banks may decide to begin offering services that we currently provide, such as Loan against Shares/Property and IPO Funding, thereby further intensifying the competition. These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

22) We do not own our Registered and Corporate Office from which we operate and the same is on rental basis from our Promoter Group. Our inability to either acquire said premises (as proposed in the Objects of the Issue) or continue to occupy the same on rental basis would adversely affect our operations and financial condition.

We do not own the premises on which our Registered Office and Corporate Office is situated. Our Registered office situated at D-16, 1st Floor, Above ICICI Bank, Prashant Vihar, Sector-14, Rohini, New Delhi – 110 085 is taken on rent basis from Ms. Sunita Bansal and M/s. Gopal Bansal HUF on a monthly rent of ₹ 60,000/-. The tenure of this agreement is for 11 months (which expires on February 28, 2014). Further, we propose to acquire this office from our promoters group using the Issue Proceeds, however, until we do so, we cannot assure you that we will have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of this property, which may impair our operations and adversely affect our financial condition. For further details of our current lease arrangements and the proposal to acquire this office premises please see the chapter titled “Business Overview” and “Objects of the Issue” beginning on pages 81 and 55 respectively of this Prospectus.

23) We are significantly dependent on a few major customers. Our top ten customers have contributed approximately 43.37%, 43.93% and 44.26% of our total non-investment interest income in 9 month period ended December 31, 2012, FY 2012 and FY 2011 respectively.

We earn interest income from our Loan Portfolio and our Investment in Debt Instruments (including Bank Fixed Deposits). The revenues from our top 10 customers constituted approximately 43.37%, 43.93% and 44.26% of our total non-investment interest income in 9 month period ended December 31, 2012, FY 2012 and FY 2011 respectively. These customers take unsecured loans from our company.

While our Company has done substantial business with these customers in the past, we do not have any legally binding long term agreements or commitments to supply capital / funds to them in the future and we cannot assure that we would receive any business at all from any of these customers in the future, or receive business from them on terms and conditions commercially acceptable to us.

Secondly, due to the major portion of loans being short term and not severely secured, we rely substantially on our promoters and key manager’s judgment and long term relations with such clients to whom we lend money. We do not have a large retail loan portfolio i.e. to the public at large and are hence a niche loan provider to a specific class of customers, and we shall hence be more dependent on regular business from such customers. Loss of one or more of our major customers would have a material adverse effect on our business, results of operations and financial condition.

24) Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and there can be no assurance that we will be able to pay dividends in the future.

We currently intend to invest our future earnings, if any, to fund our growth. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. So, there can be no assurance that we will be able to pay dividends in the future.

25) 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.

EXTERNAL RISK FACTORS

26) 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 32.45%. 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.

27) 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.

28) The price of our Company's Equity Shares may be volatile, and investors may be unable to resell their Equity Shares at or above the Issue Price, or at all.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including, among other things, volatility in the Indian securities markets, the results of our operations and performance, the performance of our competitors, developments in the Indian retail and consumption-led sectors, changing perceptions in the market about participation in these sectors, adverse media reports on us or the Indian consumption-led sectors, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies and significant developments in India's fiscal regulations.

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

Prior to the Issue, there has been no public market for our Company's Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our Company's operating results, market conditions specific to the packaging sector in India, developments relating to India and volatility in the BSE and the NSE and securities markets elsewhere in the world. The risk of loss associated with this characteristic may be greater for investors expecting to sell Equity Shares purchased in this Issue soon after the 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*" beginning on page 40 of this Prospectus.

29) 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. 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.

30) 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.

31) We are subject to fluctuations in interest rates and other market risks, which may materially and adversely affect our financial condition and results of operations.

Our business substantially depends on interest income from operations. Market risk refers to the probability of variations in our interest income or in the market value of our assets and liabilities due to interest rate volatility. Changes in interest rates affect our interest income and the volume of loans we issue. Increases in short-term interest rates could increase our cost of borrowing and adversely affect our profitability. When interest rates rise, we must pay higher interest on our borrowings while interest earned on our assets does not rise as quickly because our loans are issued at fixed interest rates. Interest rate increases could result in adverse changes in our interest income, reducing our growth rate and the value of our financial assets.

The market value of a security with a fixed interest rate generally decreases when the prevailing interest rates rise, which may have an adverse effect on our earnings and financial condition. In addition, we may incur costs (which, in turn, will impact our results) as we implement strategies to reduce future interest rate exposure. The market value of an obligation with a floating interest rate can be adversely affected when interest rates increase. Increases in interest rates may reduce gains or require us to record losses on sales of our loans and, as a result, adversely affect our financial condition.

32) Any changes made by RBI in the regulations governing NBFC could have an adverse effect on our business

In terms of Section 45-IA of the RBI Act, 1934, it is mandatory that every NBFC should be registered with RBI to commence or carry on any business of non-banking financial institution as defined in clause (a) of Section 45 I of the RBI Act, 1934. NBFCs are governed under the rules laid down by RBI and any change in the laws including those recommended by the Working Group constituted to review the existing regulatory and supervisory framework of non-banking finance companies (NBFCs) and others, which may change the current regime of regulations governing NBFC's and any such adverse change could affect our business operations and as a result, affect our financial conditions.

33) Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.

Foreign ownership of Indian securities is subject to Government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet the requirements of the RBI Circular dated October 4, 2004, as amended by the RBI Circular dated May 4, 2010. The RBI must approve the conversion of the Rupee proceeds from any such sale into foreign currency and repatriation of that foreign currency from India unless the sale is made on a stock exchange in India through a stock broker at the market price.

As provided in the foreign exchange controls currently in effect in India, the RBI has provided the price at which the Equity Shares are transferred based on a specified formula, and a higher (or lower, as applicable) price per share may not be permitted. There are also restrictions on sales between two non-residents if the acquirer is impacted by the prior joint venture or technical collaboration. The approval from the RBI or any other government agency may not be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

34) 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

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

Our financial statements, including the financial statements provided in this Prospectus are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

36) Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business, including those relating to consumer protection, Internet and privacy. Please see the chapter titled "Key Industry Regulations and Policies" beginning on page 88 of this Prospectus for details of the material laws currently applicable to us.

There can be no assurance that the Government may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our cash flows and in turn affect our results of operations.

37) Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (STT) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. In addition, changes in the terms of tax treaties or in their interpretation, as a result of renegotiations or otherwise, may affect the tax treatment of capital gains arising from a sale of Equity Shares.

38) Political, economic, environmental and social developments in India could adversely affect our Company's business.

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

Since 1991, successive governments have pursued policies of economic liberalization, including significantly relaxing restrictions on private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has changed many times since 1996. The current central government, which came to power in May 2009, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization could change, and specific laws and policies affecting banking, finance, foreign investment and other matters affecting investment in our securities could change as well. In addition, any political instability in India or geo political stability affecting India will adversely affect the Indian economy and the Indian securities markets in general, which would affect the trading price of our Company's Equity Shares.

39) 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.

40) Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance, ability to obtain financing for capital expenditures and the price of our Company's Equity Shares.

PROMINENT NOTES

1) Key Issue Particulars:

Pre Issue Net worth (Based on audited accounts as on December 31, 2012)	₹ 2,964.49 Lacs
Post Issue Net worth (assuming full subscription)	₹ 3,564.49 Lacs
Issue Size	600 Lacs
Cost Per Share to the Promoters	Mr. Gopal Bansal: 1.43 Mr. Mukesh Sharma: 1.92
Net Asset Value per share or Book Value (Based on Audited Accounts as on December 31, 2012) (Face Value of ₹ 10 per share)	₹ 22.06

- 2) Our Company, its Promoters / Directors, Company's Associates or Group companies have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI. The Promoters, their relatives, Company, Group Companies and Associate Companies are not declared as willful defaulters by RBI / Government authorities and there are no violations of securities laws committed in the past or pending against them.
- 3) Investors are advised to see the paragraph titled "*Basis for Issue Price*" beginning on page 59 of this Prospectus.
- 4) The Lead Manager and our Company shall update this Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Prospectus and commencement of trading.
- 5) Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
- 6) In the event of over-subscription, allotment shall be made as set out in paragraph titled "*Basis of Allotment*" beginning on page 193 of this Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
- 7) The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any equity shares (of India Finsec Limited) held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapter titled "*Our Management*" beginning on page 98 of this Prospectus.
- 8) No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details please see the Chapter titled "*Financial Statements*" beginning on page 119 of this Prospectus.
- 9) The details of transaction by our Company with Group Companies during the last year are disclosed under "*Financial Statements - Related Party Transactions*" beginning on page 135 of this Prospectus.
- 10) Our Company was incorporated as Dynasore Leasing and Holding Private Limited on August 10, 1994 under the Companies Act, 1956 bearing Registration No. 060827 having its Registered Office in Delhi. In

pursuance to a special resolution passed by the members of our Company at the EGM held on December 09, 2011, the name of the Company was changed to India Finsec Private Limited. A fresh Certificate of Incorporation consequent to change of name was issued on December 14, 2011 by the Registrar of Companies, New Delhi. Later the Company became a Public Limited Company pursuant to a special resolution passed by the members of our Company at the EGM held on December 19, 2011. A fresh Certificate of Incorporation consequent to conversion to a public limited company was issued on January 09, 2012 by the Registrar of Companies, New Delhi. The Company's Corporate Identity Number is U65923DL1994PLC060827 and its Registered Office is situated at D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector 14, Rohini, New Delhi – 110085, India.

SECTION III - INTRODUCTION

SUMMARY OF OUR INDUSTRY

Indian Financial Services Sector:

India's services sector has been the most dynamic part of its economy, leading GDP growth for past two decades. India serves as an example as to how services sector can play an important role in a country's economic growth. India is doing reasonably well in retail sector and the financial sector including insurance. India is now eager to open up the pensions sector also to foreign investors. The way these sectors have been developed with a robust regulatory and policy framework also holds important lessons for other countries. India's financial services sector has been one of the fastest growing sectors in the economy. The economy has witnessed increased private sector activity including an explosion of foreign banks, insurance companies, mutual funds, venture capital and investment institutions. Although significant steps have been taken in reforming the financial sector, some areas require greater focus. The ability of the financial services sector in its present structure to make available investible resources to the potential investors in coming years, such as equity and long term, medium and short-term debt. The inability of banks to quickly enforce security and access to collateral, and the capital constraints in recognizing large loan losses. Volatility in global commodity prices has had a major impact on Indian companies. This has led to non-performing loans and provisioning for credit losses becoming a key area of concern for the Indian financial system.

(Source: <http://blog.ficci.com/financial-sector-india/2776/>)

The Industry in which our Company Operates:

The primary business of our company is to provide Margin Funding to our clients for purchase of securities, Loan against Shares and Trading in Shares & Securities. The company is registered as a Non-deposit taking Non-Banking Finance Company with RBI.

Non Banking Finance Companies Overview

NBFCs have been playing a complimentary role to the banking sector, catering to the unbanked sectors and promoting financial inclusion; NBFCs have been vital to the growth of the economy by providing financial support to some of the important segments of the economy. NBFCs account for 12.3% of assets of the total financial system. With earlier three categories of NBFCs – loan companies, asset finance companies and investment companies, RBI during the recent times has introduced further new categories of NBFCs as Infrastructure finance companies, core investment companies and the most recent addition with recommendation from the Malegam Committee report being NBFCMFIs catering to microfinance sector. The recent times have also witnessed consolidation of several smaller NBFCs and the number of registered NBFCs has declined from 12,409 at end June 2011 to 12,385 at end June 2012

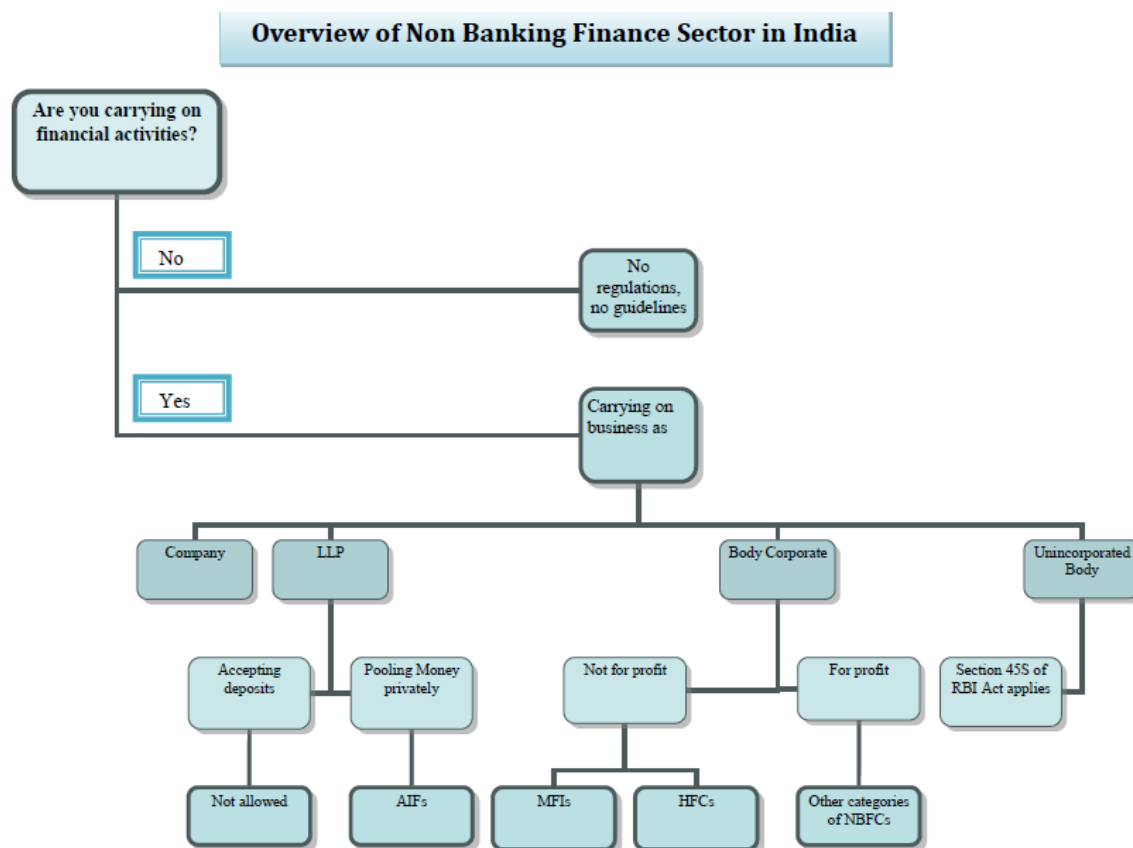
The activities of non-banking financial companies (NBFCs) in India have undergone qualitative changes over the years through functional specialisation. The role of NBFCs as effective financial intermediaries has been well recognised as they have inherent ability to take quicker decisions, assume greater risks, and customise their services and charges more according to the needs of the clients. While these features, as compared to the banks, have contributed to the proliferation of NBFCs, their flexible structures allow them to unbundle services provided by banks and market the components on a competitive basis. The distinction between banks and non-banks has been gradually getting blurred since both the segments of the financial system engage themselves in many similar types of activities. At present, NBFCs in India have become prominent in a wide range of activities like hire-purchase finance, equipment lease finance, loans, investments etc.

By employing innovative marketing strategies and devising tailor-made products, NBFCs have also been able to build up a clientele base among the depositors, mop up public savings and command large resources as

reflected in the growth of their deposits from public, shareholders, directors and other companies, and borrowings by issue of non-convertible debentures, etc. Consequently, the share of non-bank deposits in household sector savings in financial assets, increased from 3.1 per cent in 1980-81 to 10.6 per cent in 1995-96. In 1998, the definition of public deposits was for the first time contemplated as distinct from regulated deposits and as such, the figures thereafter are not comparable with those before.

The importance of NBFCs in delivering credit to the unorganised sector and to small borrowers at the local level in response to local requirements is well recognised. The rising importance of this segment calls for increased regulatory attention and focused supervisory scrutiny in the interests of financial stability and depositor protection

In response to the perceived need for better regulation of the NBFC sector, the Reserve Bank of India (RBI) Act, 1934 was amended in 1997, providing for a comprehensive regulatory framework for NBFCs. The RBI (Amendment) Act, 1997 conferred powers on the RBI to issue directions to companies and its auditors, prohibit deposit acceptance and alienation of assets by companies and initiate action for winding up of companies. The Amendment Act provides for compulsory registration with the RBI of all NBFCs, irrespective of their holding of public deposits, for commencing and carrying on business of a non-banking financial institution; minimum entry point norms; maintenance of a portion of deposits in liquid assets; and creation of reserve fund and transfer of 20 per cent of profit after tax but before dividend annually to the fund. Accordingly, to monitor the financial health and prudential functioning of NBFCs, the RBI issued directions to companies on: acceptance of public deposits; prudential norms like capital adequacy, income recognition, asset classification, provisioning for bad and doubtful assets, exposure norms and other measures. Directions were also issued to the statutory auditors to report non-compliance with the RBI Act and regulations to the RBI, and Board of Directors and shareholders of the NBFCs.



Non-Banking Financial Entities Regulated by the RBI

The developments in the NBFC sector in terms of policies and performance during 2001-02 and for the subsequent periods (to the extent information is available) are discussed in the subsequent paragraphs. Non-banking financial entities partially or wholly regulated by the RBI include: (a) NBFCs comprising equipment leasing (EL), hire purchase finance (HP), loan (LC), investment (IC) (including primary dealers³ (PDs)) and residuary nonbanking (RNBC) companies; (b) mutual benefit financial company (MBFC), i.e. Nidhi company; (c) mutual benefit company (MBC), i.e. potential Nidhi company; (d) miscellaneous non-banking company (MNBC), i.e. chit fund company.

Non-Banking Financial Entity	Principal Business
I. Non-Banking Financial Company	In terms of the Section 45-l(f) read with Section 45-i(c) of the RBI Act, 1934, as amended in 1997, their principal business is that of receiving deposits or that of a financial institution, such as lending, investment in securities, hire purchase finance or equipment leasing.
(a) Equipment leasing company (EL)	Equipment leasing or financing of such activity.
(b) Hire purchase finance company (HP)	Hire purchase transactions or financing of such transactions.
(c) Investment company (IC)	Acquisition of securities. These include Primary Dealers (PDs) who deal in underwriting and market making for government securities.
(d) Loan company (LC)	Providing finance by making loans or advances, or otherwise for any activity other than its own; excludes EL/HP/Housing Finance Companies (HFCs).
(e) Residuary non-banking company (RNBC)	Company which receives deposits under any scheme or arrangement by whatever name called, in one lump-sum or in installments by way of contributions or subscriptions or by sale of units or certificates or other instruments, or in any manner. These companies do not belong to any of the categories as stated above.
II. Mutual Benefit Financial (MBFC) i.e., Nidhi Company	Company Any company which is notified by the Central Government as a Nidhi Company under section 620A of the Companies Act, 1956 (1 of 1956)
IV. Miscellaneous non-banking company (MNBC), Managing, Conducting or supervising as a promoter, foreman or i.e., Chit Fund Company	Managing, conducting or supervising as a promoter, foreman or agent of any transaction or arrangement by which the company enters into an agreement with a specified number of subscribers that every one of them shall subscribe a certain sum in installments over a definite period and that every one of such subscribers shall in turn, as determined by tender or in such manner as may be provided for in the arrangement, be entitled to the prize amount.

For further details regarding our industry and key risks pertaining to our industry, please see the Chapter and the Section titled “Industry Overview” and “Risk Factors” beginning on pages 72 and 11 of this Prospectus respectively.

SUMMARY OF OUR BUSINESS

We are a Non Deposit taking Non-systemically Important Non Banking Finance Company (NBFC-ND-NSI) engaged primarily in the business of advancing loans and investing/trading in securities. We have been running on a modest operating scale till 2012, however, after the induction of Mr. Gopal Bansal, a Chartered Accountant by Qualification, we have commenced a process of improving our internal systems including but not limited to Trading Strategies, Financial Discipline and better utilization of our fund based portfolio, through which we have posted a Net Profit before tax of ₹ 125.76 Lacs for the nine months period ended December 31, 2012 and an outstanding loan book to the tune of ₹ 2933.17 Lacs. We propose to increase our operating efficiencies and scale and plan to become a notable player in the Finance and Investment Field in India.

Business Strengths

1. Well Qualified and Experienced Promoters:

Our management team is backed by promoters who have requisite qualification and experience in capital markets and financial services industry. We believe that their strong technical experience and industry networks will help us in achieving our key business strategies. For further details regarding the experience and qualifications of our management and Promoters please see the chapter titled “*Our Management*” and “*Our Promoters and Promoter Group*” beginning on pages 98 and 108 of this Prospectus respectively.

2. Long Standing Track-record and Established relationships

Our company received its NBFC Registration in 2002. Hence, this company has been in the business of providing short term as well as longer duration loans and advances in the North Indian region for over a decade. Our newly inducted promoter – Mr. Gopal Bansal along with our other directors proposes to utilise the readily available database of clients as well as long standing relationships with Capital Market Players to ensure effective utilisation of our assets and improve the overall operational and financial efficiencies of the company.

3. Internal Control and Risk Management

The Company believes that it has internal controls and risk management systems to assess and monitor risks. The company has its management team which monitors and manages risks by monitoring trends that may have an effect on the economic environment and actively assesses on a routine basis the market value of the Company's loan book. There have not been any loans write-offs or bad debts in our company till date. The Company seeks to monitor and control its risk exposure through a variety of separate but complementary financial and operational reporting systems. The Company believes it has effective procedures for evaluating and managing the market, operational and other risks to which it is exposed.

Business Strategy

1. Improve the tangible asset quality of our balance sheet

We do not have any major fixed assets on our company's balance sheet. We believe that in today's uncertain times a stronger tangibility if the balance sheet could bode well for us if we plan to increase our business scalability and help us secure funding etc from Banks and Financial Institutions. Hence, we are proposing to acquire an office of approximately 329.40 sq.mt. at New Delhi. For further details please see the chapter titled “*Objects of the Issue*” beginning on page 55 of this Prospectus. Further, we believe that investment in real estate could also help us generate shareholder wealth for the future.

2. Adherence to a disciplined investment process

The Company will continue to trade and invest in Stock Markets and other avenues consistent with its investment process as approved by the management from time to time. The company in accordance with its investment process will aim to invest /trade in a diversified portfolio of securities (quoted and unquoted) of companies which are expected to give superior returns. The Company believes that such investments provide a sustainable competitive advantage to the Company and would contribute to its income streams.

With the induction of new Promoter, we propose to improve our internal systems and methodologies. For details regarding our proposed Processes please see “*Key Business Processes*” and “*Summary of Key Policies*” beginning on pages 83 and 84 of this Prospectus respectively.

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.

The company wants to expand its portfolio of products and services by introducing products such as Loans against Property, IPO Funding, Financial and Management Consultancy in addition with the existing products of Unsecured ICDs and Loans and Personal Loans. We plan to continue to sell our products and services to existing corporate client base and further target other High Net Worth Individuals and Firms with impeccable credit track record to whom the company may advance funds both secured/ unsecured based on the risk profile and as envisaged in the loan policy of the company.

For further details regarding our business operations and key risks pertaining to the same, kindly refer to the chapter and section titled “Business Overview” and “Risk Factors” beginning on pages 81 and 11 of this Prospectus respectively.

SUMMARY OF OUR FINANCIALS

ANNEXURE I: RESTATED UNCONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in lacs)

Particulars		As on Dec 31, 2012	As on March 31				
			2012	2011	2010	2009	2008
A	Non-Current Assets						
1	Fixed Assets						
	(i) Tangible Assets	14.51	17.32	4.42	1.25	0.17	0.24
	Less: Revaluation Reserve	-	-	-	-	-	-
	Net Block After Adjustment of Revaluation Reserve	14.51	17.32	4.42	1.25	0.17	0.24
	(ii) Capital work in Progress	-	-	-	-	-	-
2	Non-Current Investments	-	-	43.00	473.00	709.36	574.36
3	Long Term Loan & Advances	-	-	-	-	-	-
4	Other Non-Current Assets	6.84	0.28	0.33	0.31	0.24	-
	Total (A)	21.35	17.60	47.75	474.56	709.77	574.60
B	Current Assets						
1	Inventories	216.22	50.97	5.85	-	-	-
2	Trade Receivables	-	-	-	-	-	-
3	Cash and Cash Equivalents	10.13	18.67	80.94	44.06	2.97	45.43
4	Short Term Loans and Advances	2,933.17	3,660.17	2,744.14	953.43	400.99	182.28
5	Other Current Assets	33.20	19.62	16.09	5.76	2.67	0.46
	Total (B)	3,192.72	3,749.43	2,847.02	1,003.25	406.63	228.18
C	Total Assets (A+B)	3,214.07	3,767.03	2,894.77	1,477.81	1,116.40	802.78
D	Non-Current Liabilities						
1	Long Term Borrowings	8.21	11.15	-	-	-	-
2	Deferred Tax Liabilities (Net)	-	-	0.07	0.07	0.01	0.01
	Total (D)	8.21	11.15	0.07	0.07	0.01	0.01
E	Current Liabilities						
1	Short Term Borrowings	196.88	-	-	-	-	-
2	Trade Payables	0.40	2.35	3.29	-	-	-
3	Other Current Liabilities	5.23	2.50	4.77	4.11	1.86	0.11
4	Short Term Provisions	38.86	3.45	1.34	0.61	0.31	0.03
	Total (E)	241.37	8.30	9.40	4.72	2.17	0.14

F	Total Liabilities & Provisions (D+E)	249.58	19.45	9.47	4.79	2.18	0.15
G	Share Application Money	-	870.00	15.00	15.00	15.00	-
I	Net Worth (C-F-G)	2,964.49	2,877.58	2,870.30	1,458.02	1,099.22	802.63
<u>REPRESENTED BY SHAREHOLDERS' FUND</u>							
Share Capital		1,344.17	192.02	192.02	121.60	103.72	88.93
	Equity Share Capital	1,344.17	192.02	192.02	121.60	103.72	88.93
Reserves & Surplus		1,620.32	2,685.56	2,678.28	1,336.42	995.49	713.70
	Share Premium Account (A)	1,520.06	2,672.20	2,672.20	1,334.13	994.51	713.40
	Profit & Loss Account (B)	80.25	10.73	4.90	1.88	0.82	0.28
	General Reserve	20.01	2.63	1.18	0.41	0.16	0.02
Net Worth		2,964.49	2,877.58	2,870.30	1,458.02	1,099.22	802.63

ANNEXURE II: RESTATED UNCONSOLIDATED STATEMENT OF PROFITS AND LOSSES

(₹ in lacs)

Particular	For the period ended on Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
REVENUE						
Revenue from Operations	332.71	496.90	157.24	29.78	14.71	4.35
Other Income	4.56	0.06	-	-	-	-
Total Income	337.27	496.96	157.24	29.78	14.71	4.35
EXPENSES						
Purchases	312.66	435.78	25.44	-	-	-
Changes in Inventories	(165.24)	(45.12)	(5.85)	-	-	-
Employee Benefit Expenses	15.21	17.02	29.18	19.55	11.04	3.00
Financial Cost	13.18	4.32	7.60	0.10	0.06	0.11
Depreciation and Amortization Expenses	3.61	3.53	0.70	0.64	0.14	0.12
Other Administrative Expenses	32.09	70.81	95.05	7.53	2.47	1.00
Total Expenditure	211.51	486.34	152.12	27.82	13.71	4.23
Net Profit/(Loss) Before Tax	125.76	10.62	5.12	1.96	1.01	0.11
Less: Provision for Taxation						
Current Years Income Tax	38.86	3.45	1.34	0.61	0.31	0.03
Deferred Tax (Asset)\Liability	-	(0.12)	-	0.06	0.00	0.01
Prior Period Expenses/(Income)	-	-	-	-	-	-
Total	38.86	3.33	1.34	0.67	0.31	0.04
Net Profit After Tax but Before Extraordinary Items	86.90	7.29	3.78	1.29	0.70	0.07
Extraordinary items	-	-	-	-	-	-
Net Profit After Extraordinary Items Available for Appropriation	86.90	7.29	3.78	1.29	0.70	0.07
Transfer to General Reserve	17.38	1.46	0.76	0.26	0.14	0.02
Net Profit Carried to Balance Sheet	69.52	5.83	3.02	1.04	0.56	0.05

ANNEXURE III: RESTATED UNCONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in lacs)

Particular	For the period ended Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>						
Net Profit (adjusted) Before Tax and Extra-ordinary Items	125.76	10.62	5.12	1.96	1.01	0.11
Adjustments for						
Depreciation	3.61	3.53	0.70	0.63	0.13	0.12
Interest Exp.	0.80	0.50	-	-	-	-
Operating Cash Generated Before Working Capital Changes and Taxes	130.17	14.65	5.82	2.59	1.14	0.23
(Increase)/Decrease in Inventories	(165.25)	(45.12)	(5.85)	-	-	-
(Increase)/Decrease in Loans & Advances	727.00	(916.03)	(1,790.71)	(552.44)	(218.71)	(118.05)
(Increase)/Decrease in Receivables	-	-	-	-	-	31.22
(Increase)/Decrease in Other Current Assets	(13.58)	(3.53)	(10.33)	(3.09)	(2.21)	(0.34)
Increase/(Decrease) in Payables	(1.95)	(0.94)	3.29	-	-	-
Increase/(Decrease) in Other Current Liabilities	2.73	(2.27)	0.66	2.25	1.75	0.05
Operating Cash Generated Before Taxes	679.12	(953.24)	(1,797.12)	(550.69)	(218.03)	(86.89)
Less : Income Tax paid (MAT/GBT)	(3.45)	(1.34)	(0.61)	(0.31)	(0.03)	(0.01)
Net Cash Generated from Operating Activities(A)	675.67	(954.58)	(1,797.73)	(551.00)	(218.06)	(86.90)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>						
Purchase of Fixed Assets (Net)	(0.80)	(16.35)	(3.78)	(1.62)	-	(0.22)
Other Investments	-	43.00	430.00	236.36	(135.00)	(506.36)
Deferred revenue expenses	(6.55)	-	(0.11)	(0.16)	(0.31)	-
Net Cash Flow from Investing Activities (B)	(7.35)	26.65	426.11	234.58	(135.31)	(506.58)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>						

Proceeds from Issue of Share Capital and Application Money	(870.00)	855.00	1,408.50	357.51	310.90	579.45
Proceeds / (Repayment) from/of Long-term Borrowings	(2.94)	11.15	-	-	-	-
Proceeds / (Repayment) from/of short-term Borrowings	196.88	-	-	-	-	-
Interest Expenses	(0.80)	(0.50)	-	-	-	-
Net Cash Flow from Financing Activities (C)	(676.86)	865.65	1,408.50	357.51	310.90	579.45
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(8.54)	(62.28)	36.88	41.09	(42.47)	(14.02)
Opening Balance of Cash and Cash Equivalents	18.67	80.94	44.06	2.97	45.43	59.45
Closing Balance of Cash and Cash Equivalents	10.13	18.67	80.94	44.06	2.97	45.43

Note: Restated Unconsolidated Cash Flow Statements has been prepared under the "Indirect Method" as set out in Accounting Standard 3

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS PROSPECTUS

Equity Shares Offered: Present Issue of Equity Shares by our Company	6,000,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 10 per share aggregating ₹ 600 Lacs
<i>Of which:</i>	
Issue Reserved for the Promoters' Contribution	650,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 10 per share aggregating ₹ 65 Lacs
Issue Reserved for the Market Makers	350,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 10 per share aggregating ₹ 35 Lacs
Net Issue to the Public	5,000,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 10 per share aggregating ₹ 500 Lacs
Equity Shares outstanding prior to the Issue	13,441,715 Equity Shares
Equity Shares outstanding after the Issue	19,441,715 Equity Shares
Objects of the Issue	Please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 55 of this 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 see the section titled “*Issue Related Information*” beginning on page 174 of this Prospectus.

GENERAL INFORMATION

Our Company was incorporated as Dynasore Leasing and Holding Private Limited on August 10, 1994 under the Companies Act, 1956 bearing Registration No. 060827 having its Registered Office in Delhi. Subsequently, the name of the Company was changed to India Finsec Private Limited in pursuance to a special resolution passed by the members of our Company at the EGM held on December 09, 2011. A fresh Certificate of Incorporation consequent to change of name was issued on December 14, 2011. Later, the Company became a Public Limited Company pursuant to a special resolution passed by the members of our Company at the EGM held on December 19, 2011. A fresh Certificate of Incorporation consequent to conversion to a public limited company was issued on January 09, 2012 by the Registrar of Companies, New Delhi. The Company's Corporate Identity Number is U65923DL1994PLC060827 and its Registered Office is situated at D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector 14, Rohini, New Delhi -110085, India.

Brief Company and Issue Information

Registered & Corporate Office	D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector 14, Rohini, New Delhi, India, 110085 Tel No.: +91 – 11- 4580 5612 / 4752 7593 Fax No.: 011-27029051
Date of Incorporation	August 10, 1994
Company Registration No.	060827
Company Identification No.	U65923DL1994PLC060827
Address of Registrar of Companies	4 th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110019 Tel No.: +91 – 11-26235704 Fax No.: +91 – 11-26235702
Issue Programme	Issue Opens on : May 24, 2013 Issue Closes on : May 28, 2013
Designated Stock Exchange	SME Platform of BSE Limited
Company Secretary & Compliance Officer	Ms. Rachna Bhasin D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector 14, Rohini, New Delhi, India, 110085 Tel No.: +91 -11 - 4580 5612 / 4752 7593 Fax No.: +91 - 11- 2702 9051 Email: info@indiafinsec.com

Board of Directors of the Company

The following table sets forth the Board of Directors of our Company:

Name	Designation	DIN No.
Mr. Gopal Bansal	Chairman & Managing Director	01246420
Mr. Mukesh Sharma	Whole-time Director	00274217
Mr. Basant Mittal	Non-Executive Independent Director	06462662
Ms. Charu Goyal	Non-Executive Independent Director	06464406

For further details pertaining to the educational qualification and experience of our Directors, please see the Chapter titled “Our Management” on beginning on page 98 of this Prospectus.

Note: Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre 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. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSB where the ASBA Application Form was submitted by the ASBA Applicants.

Details of Key Intermediaries pertaining to this Issue and our Company

Lead Manager of 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
Tel. No.: +91 – 22 – 2261 8264
Fax No.: +91 – 22 – 2263 0434
Website: www.afsl.co.in
Email: ipo@afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Contact Person: Ms. Ambreen Khan
SEBI Registration No.: INM000011344

Registrar to the Issue

Skyline Financial Services Private Limited

D-153A, 1st Floor, Okhla Industrial Area
Phase-I, New Delhi - 110020
Tel No.: +91 - 11 - 2681 2682/83
Fax No.: +91 - 11 - 3085 7562
Contact Person: Mr. Virender Rana
Email: admin@skylinerta.com
Investor Grievance Email: viren@skylinerta.com
Website: www.skylinerta.com
SEBI Registration No.: INE00003241

Legal Advisor to the Issue

M/s Kanga & Company (Advocates & Solicitors)

Readymoney Mansion, 43,
Veer Nariman Road,
Mumbai-400 001
Tel No.: +91 – 22 – 66230000 / 66332288
Fax No.: +91 – 22 – 66339656 / 57
Contact Person: Mr. Chetan Thakkar
Email: chetanthakkar@kangacompany.com
Website: www.kangacompany.com

Statutory Auditors of our Company

Ajay Aaditya & Co.

T-2, Manish Twin Plaza, Plot No.3,
Sector-4, Dwarka, Delhi, 110078
Tel No.: +91- 8860546501
Contact Person: Mr. Mayank Sharma
Email: smayank07@yahoo.co.in

Peer Review Auditors

V. N. Purohit & Co.

214, New Delhi House, 27,
Barakhamba Road, New Delhi - 110001
Tel No.: 011- 43596011, 9810263110
Fax No.: 011- 43596011
Contact Person: CA. O.P. Pareek
Email: oppareek@vnppaudit.com
Website: www.vnppaudit.com

Bankers to our Company

Punjab National Bank

DP-4, Local Shopping Complex,
Pitampura, Delhi-110088
Tel No.: 011-27313867 / 011-27315425
Fax No.: +91 – 011 – 23323707
Contact Person: Mr. T. N. Hasija
Email: bo1710@pnb.co.in
Website: www.pnbindia.in

Bankers to the Issue / Escrow Collection Banks

Axis Bank Limited

Universal Insurance Building, Sir P.M. Road,
Fort, Mumbai – 400 001.
Tel No.: +91 – 22 – 6610 7353 / 7265
Fax No.: +91 – 22 – 2283 5758 / 6610 7322
Website: www.axisbank.com
Email: rajesh.khandelwal@axisbank.com
Contact Person: Rajesh Khandelwal / Nachiket Kalwit
SEBI Registration No.: INBI00000017

HDFC Bank Limited

FIG – OPS Department, Lodha I,
Think Techno Campus, O-3 Level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai – 400 042.
Tel No.: +91 – 22 – 3075 2928
Fax No.: +91 – 22 – 2579 9801
Email: uday.dixit@hdfcbank.com

Website: www.hdfcbank.com
Contact Person: Mr. Uday Dixit
SEBI Registration No.: INBI00000063

Refund Banker to the Issue

HDFC Bank Limited

FIG – OPS Department, Lodha I,
Think Techno Campus, O-3 Level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai – 400 042.
Tel No.: +91 – 22 – 3075 2928
Fax No.: +91 – 22 – 2579 9801
Email: uday.dixit@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Uday Dixit
SEBI Registration No.: INBI00000063

Self Certified Syndicate Banks

The list of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Application Forms, kindly refer to the above mentioned SEBI link.

Statement of Inter-se Allocation of Responsibilities

Aryaman Financial Services Limited is the Sole Lead Manager to this issue, and hence is responsible for all the issue management related activities.

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 ₹ 50000 Lacs. Since the Issue size is below ₹ 50000 Lacs, our Company has not appointed a monitoring agency for this issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the equity shares and the corporate governance requirements, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

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.

Trustees

This being an Issue of Equity Shares, the appointment of trustees is not required.

Details of the Appraising Authority

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

Credit Rating

This being an Issue of Equity Shares, no credit rating is required.

Expert Opinion

Except the report of the Peer Reviewed Auditor on the Restated Financial Statements and Statutory Auditor of our Company on the Statement of Tax Benefits included in this Prospectus, our Company has not obtained any other expert opinion.

Underwriting

This Issue is 100% Underwritten. The Underwriting agreement is dated March 20, 2013. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten (₹ in Lacs)	% 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 Tel. No.: +91 – 22 – 2261 8264 Fax No.: +91 – 22 – 2263 0434 Website: www.afsl.co.in Email: ipo@afsl.co.in	5,000,000	5,00,00,000	83.34
MSB E-Trade Securities Limited C-619, Ground Floor, Saraswati Vihar, Pitampura, New Delhi-110034 Tel. No.: +91 – 11 – 47107777 Fax No.: +91 – 11 – 47107731 Website: www.msbetrade.com Email: msbetrade@rediffmail.com	350,000	35,00,000	5.83
Total	5,350,000	53,500,000	89.17

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 have entered into an agreement dated March 20, 2013 with Market Maker, MSB E-Trade Securities Limited registered with the SME Platform of BSE in order to fulfill the obligations of Market Making.

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 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 shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
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 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. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE SME Platform from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. 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.
6. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
7. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

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 particulars point of time.

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

10. **Risk containment measures and monitoring for Market Maker:** BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.

11. **Punitive Action in case of default by Market Maker:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

12. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 25000 lacs, the applicable price bands for the first day shall be:
- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
 - Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.

The following spread will be applicable on the BSE SME Exchange/ Platform:

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

CAPITAL STRUCTURE

The share capital of the Company as at the date of this Prospectus is set forth below:

(₹ in Lacs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A	Authorised Share Capital		
	20,450,000 Equity Shares of face value of ₹10 each	2,045.00	-
B	Issued, Subscribed and Paid-up Share Capital before the Issue		
	13,441,715 Equity Shares of face value of ₹ 10 each	1,344.17	-
C	Present Issue in terms of this Prospectus*		
	Issue of 6,000,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per Equity Share	600.00	600.00
	<i>Which comprises:</i>		
	650,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per Equity Share reserved as Promoter's Contribution	65.00	65.00
	350,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per Equity Share reserved as Market Maker Portion	35.00	35.00
	Net Issue to Public of 5,000,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per Equity Share to the Public	500.00	500.00
	<i>Of which:</i>		
	2,500,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 Lacs	250.00	250.00
	2,500,000 Equity Shares of ₹ 10 each at a price of ₹ 10 per Equity Share will be available for allocation for Investors of above ₹ 2.00 Lacs	250.00	250.00
D	Equity Share Capital after the Issue		
	19,441,715 Equity Shares of ₹ 10 each	1944.17	1944.17
E	Securities Premium Account		
	Before the Issue	1520.06	
	After the Issue	1520.06	

*The present Issue has been authorized pursuant to a resolution of our Board dated January 10, 2013 and by Special Resolution passed under Section 81(1A) of the Companies Act, 1956 at an Extra ordinary General Meeting of our shareholders held on February 05, 2013.

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

Classes of Shares

As on date, the Company has only one class of share capital i.e. Equity Shares of ₹ 10 each.

Changes in Authorized Share Capital

- (i) The initial authorised share capital of ₹ 200,000 divided into 20,000 Equity Shares ₹ 10 each was increased to ₹ 6,000,000 divided into 600,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders dated March 30, 1996.
- (ii) The authorised share capital of ₹ 6,000,000 divided into 600,000 Equity Shares of ₹ 10 each was increased to ₹ 9,000,000 divided into 900,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders dated March 29, 2008.
- (iii) The authorised share capital of ₹ 9,000,000 divided into 900,000 Equity Shares of ₹ 10 each was increased to ₹ 10,500,000 divided into 1,050,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders dated March 25, 2009.
- (iv) The authorised share capital of ₹ 10,500,000 divided into 1,050,000 Equity Shares of ₹ 10 each was increased to ₹ 12,160,000 divided into 1,216,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders dated March 30, 2010.
- (v) The authorised share capital of ₹ 12,160,000 divided into 1,216,000 Equity Shares of ₹ 10 each was increased to ₹ 19,260,000 divided into 1,926,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders dated March 30, 2011.
- (vi) The authorised share capital of ₹ 19,260,000 divided into 1,926,000 Equity Shares of ₹ 10 each was increased to ₹ 134,500,000 divided into 13,450,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders dated April 30, 2012.
- (vii) The authorised share capital of ₹ 134,500,000 divided into 13,450,000 Equity Shares of ₹ 10 each was increased to ₹ 204,500,000 divided into 20,450,000 Equity Shares of ₹ 10 each pursuant to a resolution of our shareholders dated February 05, 2013.

Notes to the Capital Structure

1. Share Capital History of our Company:

a) *Equity Share Capital*

Our Company has made allotments of Equity Shares from time to time. The following is the Equity Share Capital Build-up of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature/Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
On Incorporation	20	10	10	Subscription to MoA	Cash	20	200	Nil
March 30, 1996	513,800	10	10	Preferential Allotment	Cash	513,820	5,138,200	Nil
March 31, 2007	85,750	10	200	Preferential Allotment	Cash	599,570	5,995,700	16,292,500

March 31, 2008	205,975	10	200	Preferential Allotment	Cash	805,545	8,055,450	55,427,750
March 31, 2008	83,750	10	200	Preferential Allotment	Non Cash	889,295	8,892,950	71,340,250
March 31, 2009	147,950	10	200	Preferential Allotment	Cash	1,037,245	10,372,450	99,450,750
March 31, 2010	178,750	10	200	Preferential Allotment	Cash	1,215,995	12,159,950	133,413,250
March 31, 2011	704,250	10	200	Preferential Allotment	Cash	1,920,245	19,202,450	267,220,750
May 05, 2012	1,152,1470	10	0	Bonus Allotment ⁽¹⁾	Nil	13,441,715	134,417,150	152,006,050

⁽¹⁾ Bonus Equity Shares have been issued in the ratio of 6:1 to each shareholder, by capitalizing ₹ 1152.15lacs out of Securities Premium Account.

b) Shares allotted for consideration other than cash

The following shares were allotted for consideration other than cash:

Date of Allotment of fully Paid-up Shares	Number of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of Allotment (Reasons for Issue / Benefits to issuer)	Nature of Consideration	Allotted Person
March 31, 2008	83,750	10	200	Purchase of Investment	Other than Cash	Allotted 22,000 equity shares to Autolite Agencies Pvt Ltd., 12,500 equity shares to MBM Bearings (Rajasthan) Pvt Ltd., 30,250 equity shares to V. B. Properties (P) Ltd. 4,000 equity shares to Bhola Motor Finance Pvt Ltd., 15,000 equity shares to Raj Shree Mangal Procon P Ltd.
May 05, 2012 ⁽¹⁾	11,521,470	10	0	Bonus Issue in proportion in the ratio of 6:1	Bonus	Allotted to all the existing Shareholders of the Company as on the date of allotment.

Notes:

1. Bonus Equity Shares have been issued to all our Shareholders on May 05, 2012, by capitalizing ₹ 1152.15 Lacs out of Securities Premium Account. The relevant provisions of the Companies Act have been complied with w.r.t the bonus issue.
 2. Except for what has been stated above our Company has not issued any Equity Share for consideration other than cash.
- c) No shares have been allotted in terms of any scheme approved under Sections 391-394 of the Companies Act, 1956.
- d) No bonus shares have been issued out of Revaluation Reserves.

e) No shares have been issued at a price lower than the Issue Price within the last one year from the date of this Prospectus.

f) Shareholding of our Promoters

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

Date of Allotment of fully paid up Equity Shares / Transfer	Allotment / Transfer	Nature/ Reason of Allotment	Consideration	No. of Shares	Face Value (₹)	Issue Price (₹)	Cumulative no. of Equity shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
Mr. Gopal Bansal									
October 25, 2011	Transfer	NA	Cash	3500	10	10	3,500	0.03	0.02
May 05, 2012	Bonus	Bonus Allotment	Nil	21,000	10	0	24,500	0.18	0.12
Mr. Mukesh Sharma									
January 17, 2007	Transfer	NA	Cash	20	10	10	20	Negligible	Negligible
March 31, 2007	Allotment	Preferential Allotment	Cash	2,500	10	200	2,520	0.02	0.01
March 31, 2007	Transfer	NA	Cash	135,700	10	10	138,220	1.03	0.71
March 31, 2008	Allotment	Preferential Allotment	Cash	2,500	10	200	140,720	1.05	0.72
February 25, 2009	Transfer	NA	Cash	(2,500)	10	200	138,220	1.03	0.71
May 05, 2012	Bonus	Bonus Allotment	Nil	829,320	10	0	967,540	7.20	4.98

Notes:

- None of the shares belonging to our Promoters have been pledged till date.
- The entire Promoters' shares shall be subject to lock-in from the date of listing of the equity shares issued through this Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 2 of "Capital Structure" beginning on page 47 of this Prospectus.

g) None of the members of the Promoter Group, Directors and their immediate relatives have entered into any transactions in the Equity shares of our Company within the last six months from the date of this Prospectus, except as disclosed above.

h) None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Prospectus.

2. Promoters' Contribution and other Lock-In details:

a) Details of Promoters' Contribution locked-in for 3 years

Pursuant to the Regulation 32(1) and 36(a) of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital of our Company shall be locked-in for a period of three years from the date of Allotment of Equity Shares in this Issue. The lock-in of the Equity Shares would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters and Promoter's Group have granted 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 this Prospectus until the commencement of the lock-in period specified above.

The details of the Equity Shares locked-in for a period of three years are as follows:

Name of Promoter	No. of Shares locked in	As a % of Post Issue Share Capital
Gopal Bansal	349,500*	1.80
Mukesh Sharma	1,292,540*	6.65
M/s Fidelo Foods Private Limited	2,248,247	11.56
Total	3,890,287	20.01

**Includes the promoters contribution in the Issue which will be satisfied one day prior to the date of opening of the issue and the amount shall be kept in the escrow account opened with the Banker to the Issue and shall be released to the company along with the release of the issue proceeds.*

The details of the Equity Shares allotted to M/s Fidelo Foods Private Limited (other than promoters) are set forth below -

Date of Allotment of fully paid up Equity Shares / Transfer	Allotment / Transfer	Consideration	No. of Shares	Face Value (₹)	Issue Price (₹)	Cumulative no. of Equity shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
October 25, 2011	Transfer	Cash	648,150	10	10	648,150	4.82	3.33
May 5, 2012	Bonus	Nil	3,888,900	10	0	4,537,050	33.75	23.34
Grand Total						4,537,050	33.75	23.34

For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired by Mr. Gopal Bansal and Mr. Mukesh Sharma, please see Note 1(f) under "Notes to Capital Structure" beginning on page 46 of this Prospectus.

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters' Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

All Equity Shares, which are to be locked-in, are eligible for computation of Promoters' Contribution, in accordance with the SEBI (ICDR) Regulations, 2009. Accordingly, we confirm that the Equity Shares proposed to be included as part of the Promoters' Contribution:

- a) have not been subject to pledge or any other form of encumbrance; or
- b) have not been acquired, during preceding three years, for consideration other than cash and revaluation of assets or capitalization of intangible assets is not involved in such transaction;
- c) is not resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Issuer or from bonus issue against Equity Shares which are ineligible for minimum Promoters' Contribution;
- d) have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of this Prospectus at a price lower than the Issue Price..
- e) have not been issued to our Promoters on conversion of Partnership Firms into Limited Companies.
- f) include those for which specific written consent has been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' Contribution subject to lock-in.
- g) does not include Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new promoters 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 the Takeover Code, as applicable.

We further confirm that our Promoters' Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.

b) Details of Shares locked-in for one year:

- Pursuant to Regulation 37 of the SEBI (ICDR) Regulations, in addition to the Promoters' Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue.
- 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 Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.
- Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, may be transferred to and amongst our 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.
- Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 37 of the SEBI (ICDR) 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.

3. Pre-Issue and Post Issue Shareholding of our Promoters and Promoters' Group

Set forth is the shareholding of our Promoters and Promoters' Group before and after the proposed issue:

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity
A	Promoters				
1	Gopal Bansal	24,500	0.18	349,500	1.80
2	Mukesh Sharma	967,540	7.20	12,925,40	6.65
	Total (A)	992,040	7.38	164,2040	8.45
B	Promoter Group & Relatives				
1	Fidelo Foods Pvt Ltd.	4,537,050	33.75	4,537,050	23.34
2	Arvind Kumar Bansal (HUF)	12,250	0.09	12,250	0.06
3	Damodar Sharma	82,250	0.61	82,250	0.42
4	Manoj Sharma	678,475	5.05	678,475	3.49
	Total (B)	5,310,025	39.50	5,310,025	27.31
C	Other Associates Acting in Concert				
1	Nil	-	-	-	-
	Total (C)	-	-	-	-
Grand Total (A+B+C)		6,302,065	46.88		35.76

4. The top ten shareholders of our Company and their Shareholding is as set forth below:

a. The top ten Shareholders of our Company as on the date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Fidelo Foods Pvt Ltd	45,37,050	33.75
2	Mukesh Sharma	967,540	7.20
3	Ashok Kumar Arya	700,000	5.21
4	Vemuri Finvest Pvt Ltd.	686,000	5.10
5	Manoj Sharma	678,475	5.05
6	B R Suppliers Pvt Ltd.	654,500	4.87
7	Leena Infotech Pvt Ltd.	612,500	4.56
8	Rama Krishna Infratech Pvt Ltd.	584,500	4.35
9	Kashish Buildpro Pvt Ltd.	575,750	4.28
10	Bhola Motor Finance Pvt. Ltd.	507,500	3.78
Total		10,503,815	78.15

b. The top ten Shareholders of our Company ten days prior to date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Fidelo Foods Pvt Ltd	45,37,050	33.75
2	Mukesh Sharma	967,540	7.20
3	Ashok Kumar Arya	700,000	5.21
4	Vemuri Finvest Pvt Ltd.	686,000	5.10
5	Manoj Sharma	678,475	5.05
6	B R Suppliers Pvt Ltd.	654,500	4.87
7	Leena Infotech Pvt Ltd.	612,500	4.56
8	Rama Krishna Infratech Pvt Ltd.	584,500	4.35
9	Kashish Buildpro Pvt Ltd.	575,750	4.28
10	Bhola Motor Finance Pvt. Ltd.	507,500	3.78
Total		10,503,815	78.15

c. The top ten Shareholders of our Company two years prior to date of this Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares Pre-Issue Share Capital
1	Mukesh Sharma	138,220	11.37
2	Ashok Kumar Arya	100,000	8.22
3	Manoj Sharma	96,925	7.97
4	Suresh Chand Verma	50,000	4.11
5	Vemuri Finvest Pvt Ltd.	38,750	3.19
6	Vinod Kumar Bansal	30,000	2.47
7	Raj Shree Mangal Procon Pvt. Ltd.	15,000	1.23
8	Bhola Motor Finance P Ltd.	12,500	1.03
9	Damodar Sharma	11,750	0.97
10	Smriti Realtech Pvt Ltd.	9,000	0.74
Total		502,145	41.3

- Neither the Company, nor its Promoters, Directors and the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
- None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the Chapter titled “*Our Management*” beginning on page 98 of this Prospectus.
- There have been no purchase or sell of Equity Shares by the Promoters, Promoter Group and the Directors during a period of six months preceding the date on which the Prospectus is filed with the Designated Stock Exchange.
- Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in “*Issue Procedure - Basis of Allotment*” beginning on page 193 of this Prospectus.

9. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
10. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
11. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
12. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
13. As on date of this Prospectus with SEBI, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
14. On the date of filing the Prospectus with SEBI, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
15. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
16. Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of this Prospectus the entire pre-issue share capital of the Company has been made fully paid up.
17. Except as disclosed in the Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.
18. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Prospectus.
19. As on date of filing this Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
20. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
21. The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.

- 22. Our Company has Thirty-eight (38) shareholders, as on the date of this Prospectus.
- 23. Our Company has not revalued its assets since incorporation.
- 24. Our Company has not made any public issue or rights issue since its incorporation.
- 25. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

Shareholding Pattern of the Company

The following is the shareholding pattern of the Company as on the date of this Prospectus:

Category Code	Category of shareholder	Pre-Issue					Shares Pledged or otherwise encumbered	
		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		No. of equity shares	As a %
					As a % of (A+B)	As a % of (A+B+C)		
(A)	Promoter and Promoter Group							
-1	Indian							
(a)	Individuals/ Hindu Undivided Family	5	1,765,015	1,765,015	13.13		-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	1	4,537,050	4,537,050	33.75			
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (A)(1)</i>	6	6,302,065	6,302,065	46.88	46.88	-	-
-2	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (A)(2)</i>	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+ (A)(2)	6	6,302,065	6,302,065	46.88	46.88	-	-
(B)	Public shareholding							
-1	Institutions							
(a)	Mutual Funds/UTI	-	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-

Category Code	Category of shareholder	Pre-Issue					Shares Pledged or otherwise encumbered	
		No. of shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		No. of equity shares	As a %
					As a % of (A+B)	As a % of (A+B+C)		
(h)	Nominated investors (as defined in Chapter XB of SEBI (ICDR) Regulations)	-	-	-	-	-	-	-
(i)	Market Makers	-	-	-	-	-	-	-
(j)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (B)(1)</i>	-	-	-	-	-	-	-
-2	Non-institutions							
(a)	Bodies Corporate	16	5,557,650	5,557,650	41.35	-	-	-
	Individuals –						-	-
(b)	i. Individual shareholders holding nominal share capital up to ₹ 1 lac	13	322,000	322,000	2.40	-	-	-
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac	3	1,260,000	1,260,000	9.37	-	-	-
(c)	Any Other (specify)	-	-	-	-	-	-	-
	<i>Sub-Total (B)(2)</i>	-	-	-	-	-	-	-
	Total Public Shareholding (B)= (B)(1)+ (B)(2)	32	7,139,650	7,139,650	53.12	53.12	-	-
	TOTAL (A)+(B)						-	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	38	13,441,715	13,441,715	100.00	100.00	-	-

OBJECTS OF THE ISSUE

The Object of the Issue is to raise funds for:

- Purchase and set up of Office Space for Registered Office;
- To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities and
- Issue related Expenses.

Further, we expect to receive the benefits of listing on the SME Platform of BSE Ltd.

The Main Objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Issue.

Fund Requirements

The funds raised from the Issue are to be utilized as shown below:

Sr. No.	Particulars	Amount (₹ in Lacs)
1	Purchase and set up of Office Space for Registered Office	350.00
2	To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities	200.00
3	Issue related Expenses	50.00
TOTAL		600.00

Means of Finance

The above mentioned fund requirements are to be financed as shown below:

Sr. No.	Particulars	Amount (₹ in Lacs)
1	Proceeds from the IPO	600.00
TOTAL		600.00

Since the entire fund requirements are to be financed from the IPO Proceeds, there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution.

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 any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be

used for future growth opportunities including funding existing objects, if required and general corporate purposes.

In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

For further details on the risks involved in our expansion plans and executing our business strategies, please see the section titled “*Risk Factors*” beginning on page 11 of this Prospectus

DETAILS OF THE FUND REQUIREMENTS

1. *Purchase and set up of Office Space for Registered Office*

Our Company operates from a leased office premises situated at D-16, First Floor, Prashant Vihar, Sec.-14, Rohini, Delhi – 110085 in Delhi. We now propose to acquire this office with a view of improving the long term asset quality of our balance sheet as well as reduction of rental expenses and hence improvement in our bottom lines. Further we propose to refurbish the said office and install upgraded equipment also.

Our Company estimates to incur an expenditure of approximately ₹ 350 Lacs towards this object.

The details of the cost of purchase and set up of an Office Space is provided as below:

Particulars	Estimated Cost
Cost of purchase of Office Space (329.40 sq.mt. @ 83485.13 per sq.mt.) ⁽¹⁾	275.00
Registration, Stamp Duty and other applicable taxes	25.00
Interior and fit-outs / furniture ⁽²⁾	45.00
IT, Technology up-gradation & Other Office Equipment ⁽²⁾	05.00
Total	350.00

⁽¹⁾ This cost is estimated based on a Sale Agreement to purchase this office space dated March 14, 2013 entered into between our company and the sellers – Sunita Bansal & Gopal Bansal HUF. Based on this agreement, our company has paid ₹ 27.50 lacs as advance to the sellers. The sellers of this Office premises belong to our Promoter Group. *For details regarding the risks involved in such transaction please refer to “Risk Factors” beginning on page 11 of this Prospectus.*

⁽²⁾ The above estimates are based on an estimate dated March 18, 2013 received from M/s. Taxus Infrastructure and Power Projects Private Limited and reviewed by our management team.

Technology up-gradation would include installation and enrichment of servers, routers, firewalls, technopacked computer systems, VSAT’s, Internet Bandwidth and other computer peripherals. All these technical up-gradation would take place at Registered Office. Apart from this some part of the proceeds would also be utilized towards company’s website maintenance.

2. *To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities.*

We are a RBI Registered NBFC involved in the business of equity and debt investments, trading in securities and providing financing against shares and other collaterals. As on December 31, 2012, our outstanding loan book stood at ₹ 2,933.17 Lacs. We propose to augment our capital base by ₹ 200.00 Lacs through this Issue and utilize the funds raised from the same to further increase our operational scale of our NBFC activities and assets.

Following activities are proposed to be carried out from the increased fund infusion: (₹ in Lacs)

Sr. No.	Particulars	Amount
a.	Granting of loans included in our Product Portfolio. (For details regarding the type of loans we would be giving, please see the chapter titled "Business Overview" beginning on page 81 of this Prospectus)	200.00
	Total	200.00

3. Issue related Expenses

The total estimated Issue Expenses are ₹ 50.00 lacs, which is 8.33% of the Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lacs)
1	Issue Management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	40.00
2	Printing & Stationery, Distribution, Postage, etc.	4.00
3	Advertisement and Marketing Expenses	3.00
4	Regulatory and other Expenses	3.00
	Total	50.00

Funds Deployed and Sources of Funds Deployed

Our Statutory Auditors - M/s. Ajay Aaditya & Co, have vide certificate dated March 21, 2013 confirmed that as on March 21, 2013, out of the above mentioned Objects of the Issue we have deployed the following funds from the proposed Requirement of Funds mentioned above:

Sr. No.	Particulars	Amount deployed (₹ in lacs)
1	Issue Expenses	10.00
2	Advance towards Purchase of Office Space *	27.50
	Total	37.50

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

Sr. No.	Particulars	Amount already incurred upto April 30, 2013	Amount to be deployed in F.Y. 2013-14
1	Purchase and set up of Office Space for Registered Office	27.50	322.5
2	To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities	-	200.00
3	Issue related Expenses	10.00	45.00
	Total	37.50	562.50

Year wise Deployment of Funds

The entire Issue Proceeds are to be deployed in the FY 2013-14, itself.

Appraisal

The fund requirements and deployment detailed above as not been appraised by any bank or financial institution and is based on our internal management estimates.

Monitoring of Utilisation of Funds

As the net proceeds of the Issue will be less than ₹ 50,000 lacs, under the SEBI Regulations, it is not mandatory for us to appoint a monitoring agency.

The management of our 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 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.

Interim Use of Funds

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.

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 the Issue Price also is ₹ 10 per Equity Share and is 1 time of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Business Overview” beginning on pages 11, 119 and 81 respectively, of this Prospectus to get a more informed view before making any investment decisions. 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

Some of the qualitative factors that help differentiate us from our competitors and enable us to compete successfully in our industry are:

1. Well Qualified and Experienced Promoters
2. Long Standing Track-record and Established relationships
3. Internal Control and Risk Management

For further details regarding the above mentioned factors, which form the basis for computing the Issue Price, please see the chapter titled “Business Overview – Our Strengths” beginning on page 81 of this Prospectus.

Quantitative Factors

Information presented in this chapter is derived from our Restated Financial Statements prepared in accordance with Indian GAAP.

1) Basic Earnings per Share (Basic EPS)

Year ended March 31	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
2012	0.38	0.38	3
2011	0.31	0.31	2
2010	0.12	0.12	1
Weighted Average	0.31	0.31	6

The Basic EPS (not annualized) for the nine months period ended December 31, 2012 was ₹ 0.74

Notes:

- a. Basic EPS has been calculated as per the following formula:
(Net profit/ (loss) as restated, attributable to Equity Shareholders)/ (Weighted average number of Equity Shares outstanding during the year/period)
- b. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006
- c. The face value of each Equity Share is ₹ 10.

2) *Price Earnings Ratio (P/E) in relation to the Issue price of ₹10 per share*

Particulars	P/E Ratios
P/E ratio based on Basic EPS as at March 31, 2012	26.32
P/E ratio based on Weighted Average Basic EPS	32.26

Particulars	P/E Ratio
Industry P/E[#]	
Highest (Westlife Development Ltd.)	394.10
Lowest (HB Stockholdings Ltd.)	1.40
Average	13.20

[#]Source: Capital Market volume no. XXVIII/02 dated March 18 – March 31, 2013, Industry - Finance & Investments.

3) *Return on Networth (RoNW)*

Year ended March 31	RoNW (%)	Weight
2012	0.25	3
2011	0.13	2
2010	0.09	1
Weighted Average	0.18	6

RoNW for the nine months period ended December 31, 2012 was 3.00%.

Note: Return on Net worth has been calculated as per the following formula:

Net profit/loss after tax, as restated / Net worth excluding preference share capital and revaluation reserve

4) **Minimum Return on Net Worth after Issue needed to maintain the Pre-Issue Basic EPS for the FY 2011-12 (based on Restated Financials) at the Issue Price of ₹ 10 is 2.13%.**

5) *Net Asset Value (NAV)*

Financial Year	NAV (in ₹)
NAV as at March 31, 2012	149.85
NAV as at December 31, 2012	22.07
After Issue	17.82
Issue Price	10

Note: Net Asset Value has been calculated as per the following formula:

Net worth excluding preference share capital and revaluation reserve/ Weighted average number of Equity shares outstanding during the year/ period.

6) Comparison with Industry peers

Comparison of Accounting Ratios with Peer Group Companies

Particulars	Face Value (₹)	EPS* (₹)	P/E Ratio	RONW (%) [^]	NAV (₹) ^{^^}
Edelweiss Financial Services Limited	1	0.90	35.56#	5.10	17.7
First Leasing Co. Ltd.	10	13.80	3.70	9.9	146.60
Nalwa Sons Investments Ltd.	10	31.70	22.7	5.4	606.90
SE Investments Limited	10	17.30	9.0	19.50	90.1
BCB Finance Limited	10	0.5	50.00#	3.9	17.50

Source: Capital Market, March 18 to 31, 2013; Sector-Finance and Investments

*Basic Standalone EPS for F.Y 2010-11

[^]RONW = Profit after tax and prior period adjustments/Networth

^{^^}NAV = Share Capital + Reserves – Revaluation Reserves – Misc. Expenditure/ No. of Shares at the end of the year

P/E = Market price per share/Earning per share

- 7) The Company in consultation with the Lead Manager believes that the issue price of ₹10 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Auditor's Report included in the Offer Document to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is 1time of the face value i.e. ₹ 10 per share.

STATEMENT OF TAX BENEFITS

**The Board of Directors
India Finsec Limited
D-16, 1st Floor,
Above ICICI Bank
Prashant Vihar, Sector-14,
Rohini, New Delhi-110085**

Dear Sirs,

Statement of Possible Tax Benefits available to “India Finsec Limited” and its shareholders

We hereby report that the enclosed statement provides the possible tax benefits available to **India Finsec Limited** (*‘the Company’*) under the Income-tax Act, 1961, presently in force in India and to the shareholders of the Company under the Income Tax Act, 1961 and Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

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

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

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

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

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

**For Ajay Aaditya & Co.
Chartered Accountants**

**(Mayank Sharma)
Partner**

Place: New Delhi
Date: March 21, 2013

General Tax Benefits to the Company under Income Tax Act, 1961

- 1) Dividends earned are exempt from tax in accordance with and subject to the provisions of section 10(34) read with section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.
- 2) The Company will be entitled to amortise certain preliminary expenditure, specified under section 35D(2) of the I.T. Act, subject to the limit specified in Section 35D(3). The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive Assessment Years beginning with the Assessment Year in which the business commences.
- 3) Income by way of interest, premium on redemption or other payment on notified securities, bonds, certificates issued by the Central Government is exempt from tax under section 10(15) of the Income-tax Act, 1961 (herein after referred to as 'the Act') in accordance with and subject to the conditions and limits as may be specified in notifications.
- 4) In accordance with section 32 of the Act, the company is entitled to claim on specified tangible assets (being Buildings, Plant & Machinery, Vehicles, Furniture & fittings and computers) and Intangible assets (being Patent, Trademarks, Knowhow, Copyrights, Licenses, Franchises or any other business or commercial rights of similar nature) owned by it and used for the purpose of its business.
- 5) The amount of tax paid under Section 115JB by the company for any assessment year beginning on or after 1st April 2006 will be available as credit for ten years succeeding the Assessment Year in which MAT credit becomes allowable in accordance with the provisions of Section 115JAA.
- 6) In case of Loss under the head "Profit and Gains from Business or Profession", it can be set-off against other income and the excess loss after set-off can be carried forward for set-off -against business income of the next eight Assessment Years.
- 7) The unabsorbed depreciation, if any, can be adjusted against any other income and can be carried forward indefinitely for set-off against the income of future years.
- 8) If the company invests in the equity shares of another company, as per the provisions of Section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.
- 9) Income earned from investment in units of a specified Mutual Fund is exempt from tax under section 10(35) of the Act. However, as per section 94(7) of the Act, losses arising from the sale/redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent such loss does not exceed the amount of income claimed exempt.
- 10) Further, as per section 94(8) of the Act, if an investor purchases units within three months prior to the record date for entitlement of bonus, and is allotted bonus units without any payment on the basis of holding original units on the record date and such person sells/redeems the original units within nine months of the record date, then the loss arising from sale/redemption of the original units will be ignored for the purpose of computing income chargeable to tax and the amount of loss ignored shall be regarded as the cost of acquisition of the bonus units.
- 11) In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

- a) 20 per cent (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost or
 - b) 10 per cent (plus applicable surcharge and education cess) of the capital gains as computed without indexation.
- 12) In accordance with Section 111A, the tax on capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund, is chargeable to tax at the rate of 15% (plus applicable surcharge and education cess), where such transaction is chargeable to Securities Transaction Tax. And if the provisions of Section 111A are not applicable to the short term capital gains, in case of non chargeability to Securities Transaction Tax, then the tax will be chargeable at the rate of 30% (plus applicable surcharge and education cess) as applicable.
- 13) Under section 36(1)(vii), any bad debt or part thereof written off as irrecoverable in the accounts is allowable as a deduction from the total income.
- 14) Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible expenditure.

Section 115-O

Tax rate on distributed profits of domestic companies (Dividend Distribution Tax) is 15%, the surcharge on Income tax is at 5%, and the Education Cess 2% and Higher Education Cess is at 1%.

Tax Rates

The tax rate is 30%. The surcharge on Income tax is 5%, only if the total income exceeds ₹ 100 Lacs. Education Cess 2% and Higher Education Cess is at 1%.

Under Central Excise and Customs Act

The Company will be entitled to claim excise refund for duty paid on capital good purchased under the duty drawback scheme of DGFT subject to fulfilment of export obligations in eight years.

General Tax Benefits to the Shareholders of the Company

(I) Under the Income-tax Act, 1961

A) Residents

- 1) Dividends earned on shares of the Company are exempt from tax in accordance with and subject to the provisions of section 10(34) read with section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.
- 2) Shares of the company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset.

- 3) Long term capital gain arising on sale of shares is fully exempt from tax in accordance with the provisions of section 10(38) of the Act, where the sale is made on or after October 1, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax.
- 4) Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income (i.e. dividend/exempt long-term capital gains) is not tax deductible expenditure.
- 5) Under section 36(1)(xv) of the Act, Securities Transaction Tax paid by a Shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession”.
- 6) As per the provision of Section 71(3), if there is a Loss under the head “Capital Gains”, it cannot be set-off against the income under any other head. Section 74 provides that the short term capital loss can be set-off against both Short Term and Long Term Capital Gain. But Long Term Capital Loss cannot be set-off against Short Term Capital Gain. The unabsorbed Short Term Capital Loss can be carried forward for next Eight Assessment Years and can be set off against any Capital Gains in subsequent years. The Unabsorbed Long Term Capital Loss can be carried forward for next eight Assessment Years and can be set off only against Long Term Capital Gains in subsequent years.
- 7) Taxable Long Term Capital Gains would arise [if not exempt under section 10(38) or any other section of the Act] to a resident shareholder where the equity shares are held for a period of more than 12 months prior to the date of transfer of the shares. In accordance with and subject to the provisions of Section 48 of the Act, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:
 - a) Cost of acquisition/improvement of the shares as adjusted by the cost inflation index notified by the Central Government; and
 - b) Expenditure incurred wholly and exclusively in connection with the transfer of shares
- 8) Under Section 112 of the Act, Taxable Long-Term Capital Gains are subject to tax at a rate of 20% (plus applicable surcharge and education cess) after indexation, as provided in the second proviso to section 48 of the Act. However, in case of listed securities or units, the amount of such tax could be limited to 10% (plus applicable surcharge and education cess), without indexation, at the option of the shareholder.
- 9) Short Term Capital Gains on the transfer of equity shares, where the shares are held for a period of not more than 12 months would be taxed at 15% (plus applicable surcharge and education cess), where the sale is made on or after October 1, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax. In all other cases, the short term capital gains would be taxed at the normal rates of tax (plus applicable surcharge and education cess) applicable to the resident investor. Cost indexation benefits would not be available in computing tax on Short Term Capital Gain.
- 10) Under section 54EC of the Act, Long Term Capital Gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (up to a maximum limit of ₹ 50 Lacs) for a minimum period of three years.
- 11) In accordance with section 54F, Long-Term Capital Gains arising on the transfer of the shares of the Company held by an individual and Hindu Undivided Family on which Securities Transaction Tax is not payable, shall be exempt from Capital Gains Tax, if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual-

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
 - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.
- 12) If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.
- 13) If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.
- 14) If an individual or HUF receives any property, from any person other than specified relative which includes shares, without consideration, the aggregate fair market value of which exceeds Rs 50,000, the whole of the fair market value of such property will be considered as income in the hands of the recipient. Similarly, if an individual or HUF receives any property, which includes shares, for consideration which is less than the fair market value of the property by an amount exceeding Rs 50,000, the fair market value of such property as exceeds the consideration will be considered as income in the hands of the recipient

Tax Rates

For Individuals, HUFs, BOI and Association of Persons:

Slab of income (₹)	Rate of tax (%)
0 – 200,000	Nil
200,001 – 500,000	10%
500,001 – 10,00,000	20%
10,00,001 and above	30%

Notes:

- (i) In respect of women residents below the age of 60 years, the basic exemption limit is ₹ 200,000.
- (ii) In respect of senior citizens resident in India, the basic exemption limit is ₹ 250,000. (Age more than 60 years)
- (iii) In respect of Super citizens resident in India, the basic exemption limit is ₹ 500,000. (Age more than 80 years)
- (iv) Education cess @ 2% and Higher Education cess @ 1% will be levied on income tax.

B) Non-Residents

- 1) Dividends earned on shares of the Company are exempt in accordance with and subject to the provisions of section 10(34) read with Section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt

- 2) Long Term Capital Gain arising on sale of Company's shares is fully exempt from tax in accordance with the provisions of section 10(38) of the Act, where the sale is made on or after October, 1 2004 on a recognized Stock Exchange and the transaction is chargeable to Securities Transaction Tax.
- 3) In accordance with section 48, capital gains arising out of transfer of capital assets being shares in the Company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter in, and sale of, shares and debentures of, an Indian company including the Company.
- 4) As per the provisions of Section 90, the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever in India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant Country for Avoidance of Double Taxation of Income.
- 5) In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to Securities Transaction Tax, held as long term capital assets will be at the rate of 10% (plus applicable surcharge and education cess). A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares.
- 6) In accordance with Section 111A, the tax on capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund, is chargeable to tax at the rate of 15% (plus applicable surcharge and education cess), where such transaction is chargeable to Securities Transaction Tax. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be chargeable at the applicable normal rates plus surcharge and education cess as applicable.
- 7) Under section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (up to a maximum limit of Rs 50 lacs) for a minimum period of three years.
- 8) In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual and Hindu undivided family on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years subject to regulatory feasibility. Such benefit will not be available if the individual-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
 - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

- 9) If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.
- 10) If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

C) Non-Resident Indians

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

- 1) In accordance with section 115E, income from investment or income from long-term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus education cess). Income by way of long term capital gains in respect of a specified asset (as defined in Section 115C (f) of the Income-tax Act, 1961), shall be chargeable at 10% (plus education cess).
- 2) In accordance with section 115F, subject to the conditions and to the extent specified herein, long-term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified new asset.
- 3) In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange or both, and the tax deductible has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act, 1961.
- 4) In accordance with Section 115-I, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any Assessment Year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax Act, 1961.
- 5) As per the provisions of Section 90, the NRI shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant Country for avoidance of double taxation of income.
- 6) In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.
- 7) In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax.
- 8) In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund where such transaction has suffered Securities Transaction Tax is chargeable to tax at the rate of 15% (plus applicable surcharge and education cess). If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be chargeable at the applicable normal rates plus surcharge and education cess.

- 9) Under section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (upto a maximum limit of Rs 50 lacs) for a minimum period of three years.
- 10) In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years subject to regulatory feasibility. Such benefit will not be available if the individual or Hindu Undivided Family-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
 - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.
- 11) If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.
- 12) If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

D) Foreign Institutional Investors (FIIs)

- 1) In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax in the hands of Foreign Institutional Investors (FIIs).
- 2) In accordance with section 115AD, FIIs will be taxed at 10% (plus applicable surcharge and education cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation), if Securities Transaction Tax is not payable on the transfer of the shares and at 15% (plus applicable surcharge and education cess) in accordance with section 111A on short-term capital gains arising on the sale of the shares of the Company which is subject to Securities Transaction Tax. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the rate of 30% plus applicable surcharge and education cess, as applicable.

In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.

- 3) As per the provisions of Section 90, the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant Country for avoidance of double taxation of income.

- 4) Under section 196D (2) of the Income-tax Act, 1961, no deduction of Tax at Source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.
- 5) Under section 54EC of the Act, Long Term Capital Gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (upto a maximum limit of Rs 50 lacs) for a minimum period of three years.

E) Persons carrying on business or profession in shares and securities.

Under section 36(1)(xv) of the Act, securities transaction tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession”.

A non- resident taxpayer has an option to be governed by the provisions of the Income-tax Act, 1961 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial (section 90(2) of the Income tax Act, 1961).

F) Mutual Funds

Under section 10(23D) of the Act, exemption is available in respect of income (including capital gains arising on transfer of shares of the Company) of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or such other Mutual fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to the conditions as the Central Government may specify by notification.

G) Venture Capital Companies/Funds

In terms of section 10(23FB) of the I.T. Act, income of:-

Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992; and Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, from investment in a Venture Capital Undertaking, is exempt from income tax, Exemption available under the Act is subject to investment in domestic Company whose shares are not listed and which is engaged in certain ‘specified’ business/industry.

(II) Under the Wealth Tax and Gift Tax Acts

- 1) “Asset” as defined under section 2(ea) of the Wealth-tax Act, 1957 does not include shares held in a Company and hence, these are not liable to wealth tax.
- 2) Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Any gift of shares of the Company is not liable to gift-tax. However, in the hands of the Donee the same will be treated as income unless the gift is from a relative as defined under Explanation to Section 56(vi) of Income-tax Act, 1961.

Notes:

- 1) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- 2) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- 3) The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2013-14. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.
- 4) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for Professional advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- 5) In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the Country in which the non-resident has fiscal domicile.
- 6) 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 Ajay Aaditya & Co.
Chartered Accountants

(Mayank Sharma)
Partner

Place: New Delhi
Date: March 21, 2013

SECTION IV - ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

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

Overview of the Global and Indian Economy

Global Scenario:

The world economy in the fourth quarter of 2012 witnessed severe headwinds as major advanced economies recorded contraction. Gross domestic product of the United States, the United Kingdom, Japan and the Euro zone contracted during the quarter. Growth rate in the emerging markets, particularly India and China slowed. The IMF in its recent review has been optimistic about global recovery during 2013. Despite poor economic performance during the fourth quarter in developed economies, the industry survey indicators signalled strengthening of activities across sectors albeit severe downside risk in terms of slowdown of trade and finance flow persists.

(source:http://www.sebi.gov.in/cms/sebi_data/attachdocs/1362136685679.pdf)

The global economy has yet to shake off the fallout from the crisis of 2008-2009. Global growth dropped to almost 3 percent in 2012, which indicates that about a half a percentage point has been shaved off the long-term trend since the crisis emerged. This slowing trend will likely continue. Mature economies are still healing the scars of the 2008-2009 crisis. But unlike in 2010 and 2011, emerging markets did not pick up the slack in 2012, and won't do so in 2013. Uncertainty across the regions – from the post-election 'fiscal debate' question in the U.S. to the Chinese leadership transition and reforms in the Euro Area – will continue to have global impacts in sluggish trade and tepid foreign direct investment.

Global Growth:

Across the advanced economies, the Outlook predicts 1.2 percent growth in 2013, compared to 1.1 percent in 2012. The slight uptick is largely due to Europe, which is expected to return to very slow growth of 0.3 percent after the -0.2 percent contraction in 2012. U.S. growth is expected to fall from 2.2 percent in 2012 to 1.6 percent in 2013.

In the medium-term, the outlook expects the U.S. and other advanced economies to go some ways toward closing large output gaps – that is, the difference between current output and the level of output an economy can produce in a noninflationary way, given the size of its labor force and its potential to invest in and create technological progress. The current output gap is a result of weak demand due to the 2008-2009 crisis. This development should allow the U.S. to average 2.3 percent annual growth during 2013-2018 before falling to 2.0 percent in 2019-2025. In the same two periods, Japan is expected to grow at 0.9 percent per annum.

A more significant slowdown is expected for less mature economies over the next year – and beyond. Overall, growth in developing and emerging economies is projected to drop from 5.5 percent in 2012 to 5.0 percent in 2013, with growth falling in China from 7.8 to 7.5 percent and in India from 5.5 to 4.7 percent. From 2019-2025 emerging and developing countries are projected to grow at 3.3 percent.

The long-term global slowdown we project to 2025 will be driven largely by structural transformations in the emerging economies. As China, India, Brazil, and others mature from rapid, investment-intensive ‘catch-up’ growth to a more balanced model, the structural ‘speed limits’ of their economies are likely to decline, bringing down global growth despite the recovery we expect in advanced economies after 2013.

(Source: <http://www.conference-board.org/data/globaloutlook.cfm>)

Indian Scenario:

The Indian economy further decelerated in the first half (H1) of 2012-13, with moderation in all three sectors of the economy. The weak monsoon dented agricultural performance. Policy constraints, supply and infrastructure bottlenecks and lack of sufficient demand continued to keep industrial growth below trend. Subdued growth in other sectors and weak external demand pulled down the growth of services as well. Though a modest recovery may set in from Q4 of 2012-13 as reforms get implemented, sustaining recovery through 2013-14 would require all-round efforts in removing impediments to business activity.

Demand weakened in H1 of 2012-13. There was significant moderation in consumption as private consumption decelerated even as government expenditure accelerated. On the fiscal side, near-term risks have diminished due to the government’s repeated avowal of commitment to the revised fiscal deficit target of 5.3 per cent of gross domestic product (GDP) for the year. However, sustainable fiscal consolidation would require bringing current spending, especially on subsidies, under control and protecting, if not enhancing capital expenditure. Going forward, the key to demand revival lies in improving the investment climate as well as investor sentiments through sustained reforms

The current account deficit (CAD) to GDP ratio reached a historically high level of 5.4 per cent in Q2 of 2012-13. Low growth and uncertainty in AEs as well as EMDEs continued to adversely impact exports in Q3 of 2012-13. This, combined with continuing large imports of oil and gold, resulted in a deterioration of the trade balance. For the time being, strong capital flows have enabled financing of CAD without a significant drawdown of foreign exchange reserves. However, the possibility of volatility in these flows, which may put further pressure on the external sector, cannot be ruled out. A two-pronged approach, of lowering CAD in the medium term while ensuring prudent financing of CAD in the interim, is necessary from the policy perspective.

Monetary policy in India has sought to balance the growth-inflation dynamics that included a frontloaded policy rate cut of 50 basis points (bps) in April 2012 and several liquidity enhancing measures. These included lowering of the cash reserve ratio (CRR) by 50 bps on top of a 125 bps reduction in Q4 of 2011-12 and the statutory liquidity ratio (SLR) by 100 bps in a bid to improve credit flows. The Reserve Bank also infused liquidity of over ₹1.3 trillion through outright open market operation (OMO) purchases during 2012-13 so far. However, growth in monetary aggregates remains below the indicative trajectory.

Financial Markets:

Improved global sentiments along with recent policy reforms by the government beginning September 2012, and market expectations of a cut in the policy rate in the face of moderation in inflation, aided FII flows into the domestic market. The equity markets showed significant turnaround, while the rupee remained range-bound. In addition, revival is witnessed in the IPO segment. Although Indian financial market sentiments improved significantly in Q3 of 2012-13, some macroeconomic concerns persist, as witnessed in the inverted yield curve. Sustained commitment to curtail twin deficits and nurture growth without fuelling inflation is critical to support investor confidence.

(Source: RBI: <http://www.rbi.org.in/scripts/PublicationsView.aspx?id=14923>)

Indian Financial Services Sector:

India's services sector has been the most dynamic part of its economy, leading GDP growth for past two decades. India serves as an example as to how services sector can play an important role in a country's economic growth. India is doing reasonably well in retail sector and the financial sector including insurance. India is now eager to open up the pensions sector also to foreign investors. The way these sectors have been developed with a robust regulatory and policy framework also holds important lessons for other countries. India's financial services sector has been one of the fastest growing sectors in the economy. The economy has witnessed increased private sector activity including an explosion of foreign banks, insurance companies, mutual funds, venture capital and investment institutions. Although significant steps have been taken in reforming the financial sector, some areas require greater focus. The ability of the financial services sector in its present structure to make available investible resources to the potential investors in coming years, such as equity and long term, medium and short-term debt. The inability of banks to quickly enforce security and access to collateral, and the capital constraints in recognizing large loan losses.

Volatility in global commodity prices has had a major impact on Indian companies. This has led to non-performing loans and provisioning for credit losses becoming a key area of concern for the Indian financial system.

(Source: <http://blog.ficci.com/financial-sector-india/2776/>)

Indian Capital Markets:

In the recent years, the capital markets have also undergone substantial reforms in regulation and supervision. Reforms, particularly the establishment and empowerment of SEBI, market-determined prices and allocation of resources, screen-based nation-wide trading, dematerialisation and electronic transfer of securities, rolling settlement and derivatives trading have greatly improved both the regulatory framework and efficiency of trading and settlement. There are 23 recognized Stock Exchanges in India, including the Over-the-Counter Exchange of India ("OTCEI") for small and new companies and the NSE, which was set-up as a model exchange to provide nation-wide services to investors. In 2003, the National Commodity and Derivative Exchange ("NCDEX"), an online Multi-Commodity Exchange ("MCX") for trading of various commodities was also established.

Primary Equity Market:

During January 2013, ₹ 485.5 crores were mobilised in the primary market by way of two issues as compared to ₹ 11,206.0 crores mobilised through nine issues in December 2012, showing a decrease of 95.7 percent over the previous month. In January 2013, there was CAPITAL MARKET REVIEW one equity issues which were an IPO. The cumulative amount mobilised for the financial year 2012-13, so far, stood at ₹ 21,354.3 crores through 42 issues as against ₹ 43,818.4 crores raised through 57 issues during the corresponding period in 2011-12. The number of primary equity market issuances in India is set forth in the table below:

Table 1: Primary Market Trends

Items	Jan-13		Dec-12		2012-13\$		2011-12\$	
	No. of Issues	Amount (₹ crore)	No. of Issues	Amount (₹ crore)	No. of Issues	Amount (₹ crore)	No. of Issues	Amount (₹ crore)
1	2	3	4	5	6	7	8	9
a) Public Issues (i) +(ii)	1	11.3	8	10,948.0	30	13,872.8	47	41,731
i) Public issue (Equity)	1	11.3	5	5,347.0	21	6,054.8	30	9,559
of which								
IPOs	1	11.3	5	5,347.0	21	6,054.8	29	4,980.8
FPOs	0	0.0	0	0.0	0	0.0	1	4,578.2
ii) Public Issue (Debt)	0	0.0	3	5,601.0	9	7,818.0	17	32,171.8
b) Rights Issues	1	474.3	1	258.0	12	7,481.5	10	2,087.6
Total Equity Issues (i + b)	2	485.5	6	5,605.0	33	13,536.3	40	11,646.6
Total (a + b)	2	485.5	9	11,206.0	42	21,354.3	57	43,818.4

\$ indicates as on last trading day of January of the corresponding financial year.

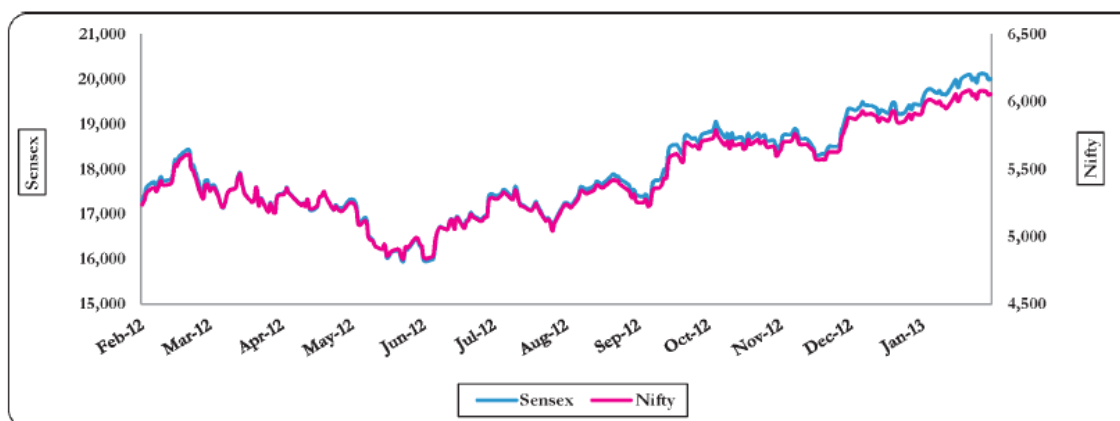
* Debt Figures for Jan 2013 are provisional

IPOs imply Initial Public Offers, FPOs imply Follow on Public Offers.

Secondary Equity Market:

BSE Sensex closed at 19,895.0 on January 31, 2013, as against 19,426.7 on December 31, 2012, registering an increase of 468.3 points (2.4 percent). During January 2013, Sensex recorded an intraday high of 20,203.7 on January 29, 2013 and an intraday low of 19,508.9 on January 1, 2013. S&P CNX Nifty closed at 6,034.8 on January 31, 2013 compared to 5,905.1 on December 31, 2012, indicating an increase of 129.7 points (2.2 percent). During January 31, 2013 Nifty recorded an intraday high of 6,111.8 on January 29, 2013 and an intraday low of 5,935.2 on January 1, 2013.

Figure 2: Movement of Sensex and Nifty



(Source: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1362136685679.pdf)

Consolidation in the Indian Equity Trading Markets

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. With this, significant changes have been introduced to strengthen the risk management systems, for instance, the margin requirements for exposure and mark-to-market have been introduced in line with global practices. In addition, the shorter settlement cycles have required stronger back-

office capabilities. Historically, settlement cycles on exchanges were T+5, although these have been reduced to T+2 and there are plans to reduce this to an industry standard of T+1. These changes in the regulatory framework and settlement mechanics have resulted in smaller operating players losing market share, leading to consolidation in the industry. With this, there has been a significant growth in retail investors' participation in equity markets. Trade volumes for retail investors have grown steadily with the introduction of dematerialisation and the recent acceleration in opening of dematerialised accounts.

The retail business segment has approximately a 65 per cent share of total exchange traded volumes, with foreign individual and institutional investors business having a 15 per cent share, and proprietary trading by brokers & related parties accounting for the remaining 20 per cent share.

Equity Brokerage

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.

Transaction Advisory

There has been a significant increase in the merger and acquisition activities by Indian companies in recent years. This continuing increase is evident in the inbound, outbound and domestic segments.

The Industry in which our Company Operates:

The primary business of our company is to provide Margin Funding to our clients for purchase of securities, Loan against Shares and Trading in Shares & Securities. The company is registered as a Non-deposit taking Non-Banking Finance Company with RBI.

Non Banking Finance Companies Overview

NBFCs have been playing a complimentary role to the banking sector, catering to the unbanked sectors and promoting financial inclusion; NBFCs have been vital to the growth of the economy by providing financial support to some of the important segments of the economy. NBFCs account for 12.3% of assets of the total financial system. Due to the global economic slowdown and its impact on the domestic economy, NBFC sector faced significant stresses on asset quality, liquidity and funding costs. With the recovery of Indian economy over the last few quarters, demand side of NBFCs has also improved. 2011 has been strong for NBFCs.

With earlier three categories of NBFCs – loan companies, asset finance companies and investment companies, RBI during the recent times has introduced further new categories of NBFCs as Infrastructure finance companies, core investment companies and the most recent addition with recommendation from the Malegam Committee report being NBFCMFIs catering to microfinance sector. The recent times have also witnessed consolidation of several smaller NBFCs and the number of registered NBFCs has declined from 12,409 at end June 2011 to 12,385 at end June 2012 (See data on Registered NBFCs with RBI below).

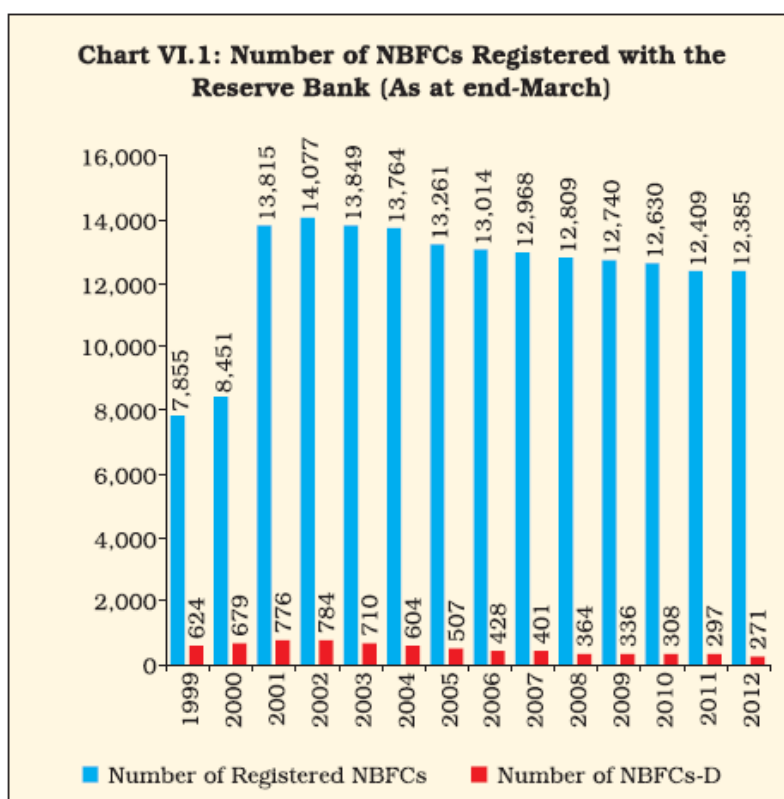


Table 5.14 : Number of NBFCs Registered with the RBI			
End June	Number of Registered NBFCs	Number of NBFCs-D	Number of NBFCs-ND-SI
2005	13261	507	-
2006	13014	428	149
2007	12968	401	173
2008	12809	364	189
2009	12740	336	234
2010	12630	308	260
2011	12409	297	330

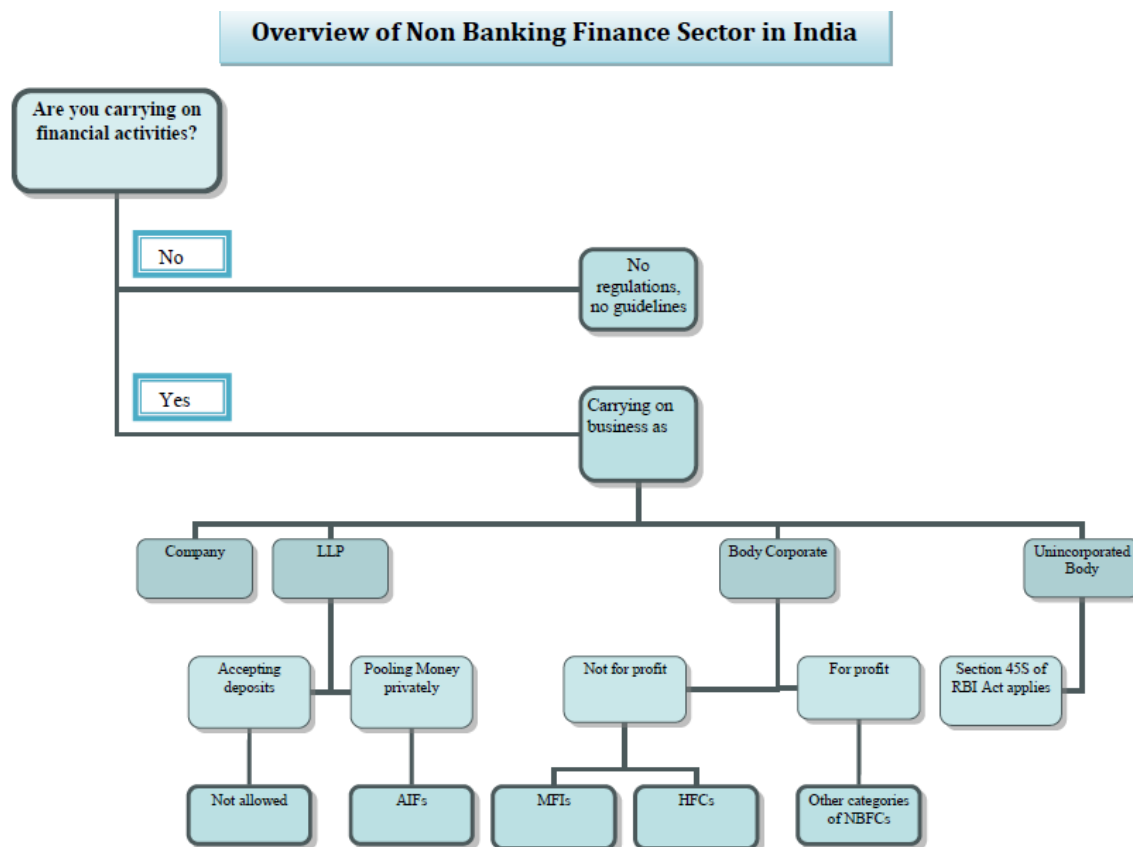
Source : RBI.

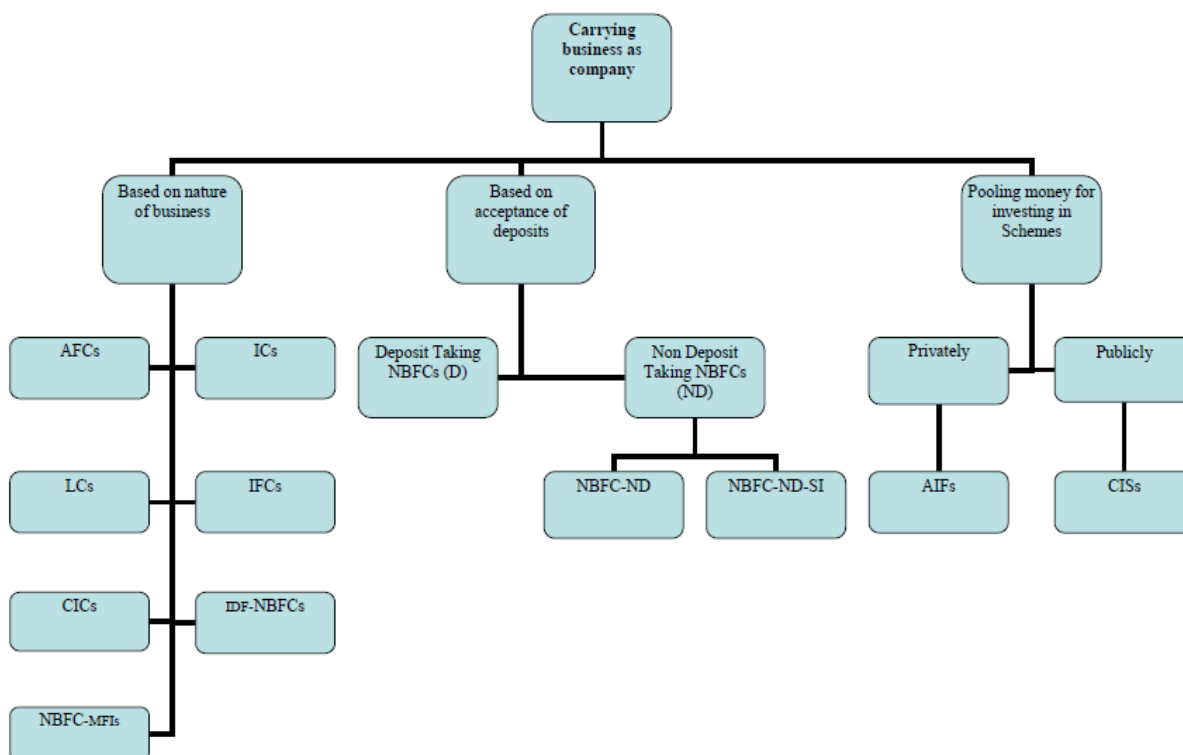
The activities of non-banking financial companies (NBFCs) in India have undergone qualitative changes over the years through functional specialisation. The role of NBFCs as effective financial intermediaries has been well recognised as they have inherent ability to take quicker decisions, assume greater risks, and customise their services and charges more according to the needs of the clients. While these features, as compared to the banks, have contributed to the proliferation of NBFCs, their flexible structures allow them to unbundle services provided by banks and market the components on a competitive basis. The distinction between banks and non-banks has been gradually getting blurred since both the segments of the financial system engage themselves in many similar types of activities. At present, NBFCs in India have become prominent in a wide range of activities like hire-purchase finance, equipment lease finance, loans, investments etc.

By employing innovative marketing strategies and devising tailor-made products, NBFCs have also been able to build up a clientele base among the depositors, mop up public savings and command large resources as reflected in the growth of their deposits from public, shareholders, directors and other companies, and borrowings by issue of non-convertible debentures, etc. Consequently, the share of non-bank deposits in household sector savings in financial assets, increased from 3.1 per cent in 1980-81 to 10.6 per cent in 1995-96. In 1998, the definition of public deposits was for the first time contemplated as distinct from regulated deposits and as such, the figures thereafter are not comparable with those before.

The importance of NBFCs in delivering credit to the unorganised sector and to small borrowers at the local level in response to local requirements is well recognised. The rising importance of this segment calls for increased regulatory attention and focused supervisory scrutiny in the interests of financial stability and depositor protection

In response to the perceived need for better regulation of the NBFC sector, the Reserve Bank of India (RBI) Act, 1934 was amended in 1997, providing for a comprehensive regulatory framework for NBFCs. The RBI (Amendment) Act, 1997 conferred powers on the RBI to issue directions to companies and its auditors, prohibit deposit acceptance and alienation of assets by companies and initiate action for winding up of companies. The Amendment Act provides for compulsory registration with the RBI of all NBFCs, irrespective of their holding of public deposits, for commencing and carrying on business of a non-banking financial institution; minimum entry point norms; maintenance of a portion of deposits in liquid assets; and creation of reserve fund and transfer of 20 per cent of profit after tax but before dividend annually to the fund. Accordingly, to monitor the financial health and prudential functioning of NBFCs, the RBI issued directions to companies on: acceptance of public deposits; prudential norms like capital adequacy, income recognition, asset classification, provisioning for bad and doubtful assets, exposure norms and other measures. Directions were also issued to the statutory auditors to report non-compliance with the RBI Act and regulations to the RBI, and Board of Directors and shareholders of the NBFCs.





Non-Banking Financial Entities Regulated by the RBI

The developments in the NBFC sector in terms of policies and performance during 2001-02 and for the subsequent periods (to the extent information is available) are discussed in the subsequent paragraphs. Non-banking financial entities partially or wholly regulated by the RBI include: (a) NBFCs comprising equipment leasing (EL), hire purchase finance (HP), loan (LC), investment (IC) (including primary dealers³ (PDs)) and residuary nonbanking (RNBC) companies; (b) mutual benefit financial company (MBFC), i.e. Nidhi company; (c) mutual benefit company (MBC), i.e. potential Nidhi company; (d) miscellaneous non-banking company (MNBC), i.e. chit fund company.

Non-Banking Financial Entity	Principal Business
1. Non-Banking Financial Company	In terms of the Section 45-l(f) read with Section 45-i(c) of the RBI Act, 1934, as amended in 1997, their principal business is that of receiving deposits or that of a financial institution, such as lending, investment in securities, hire purchase finance or equipment leasing.
(a) Equipment leasing company (EL)	Equipment leasing or financing of such activity.
(b) Hire purchase finance company (HP)	Hire purchase transactions or financing of such transactions.
(c) Investment company (IC)	Acquisition of securities. These include Primary Dealers (PDs) who deal in underwriting and market making for government securities.
(d) Loan company (LC)	Providing finance by making loans or advances, or otherwise for any activity other than its own; excludes EL/HP/Housing Finance Companies (HFCs).

(e) Residuary non-banking company (RNBC)	Company which receives deposits under any scheme or arrangement by whatever name called, in one lump-sum or in installments by way of contributions or subscriptions or by sale of units or certificates or other instruments, or in any manner. These companies do not belong to any of the categories as stated above.
II. Mutual Benefit Financial (MBFC) i.e., Nidhi Company	Company Any company which is notified by the Central Government as a Nidhi Company under section 620A of the Companies Act, 1956 (1 of 1956)
IV. Miscellaneous non-banking company (MNBC), Managing, Conducting or supervising as a promoter, foreman or i.e., Chit Fund Company	Managing, conducting or supervising as a promoter, foreman or agent of any transaction or arrangement by which the company enters into an agreement with a specified number of subscribers that every one of them shall subscribe a certain sum in installments over a definite period and that every one of such subscribers shall in turn, as determined by tender or in such manner as may be provided for in the arrangement, be entitled to the prize amount.

BUSINESS OVERVIEW

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and chapter titled 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 11, 119 and 142 respectively, of this Prospectus.

Unless the context otherwise requires, in relation to business operations, in this chapter of this Prospectus, all references to "we", "us", "our" and "our Company" are to India Finsec Limited and Group Entities as the case may be.

OVERVIEW

Our Company was incorporated as Dynasore Leasing and Holding Private Limited on August 10, 1994 under the Companies Act, 1956 bearing Registration No. 060827 having its Registered Office in Delhi. In pursuance to a special resolution passed by the members of our Company at the EGM held on December 09, 2011, the name of the Company was changed to India Finsec Private Limited. A fresh Certificate of Incorporation consequent to change of name was issued on December 14, 2011 by the Registrar of Companies, New Delhi. Later the Company became a Public Limited Company pursuant to a special resolution passed by the members of our Company at the EGM held on December 19, 2011. A fresh Certificate of Incorporation consequent to conversion to a public limited company was issued on January 09, 2012 by the Registrar of Companies, New Delhi. The Company's Corporate Identity Number is U65923DL1994PLC060827 and its Registered Office is situated at D -16, First Floor, Above ICICI Bank, Prashant Vihar, Sector 14, Rohini, New Delhi – 110085, India.

Our Company is a NBFC registered with RBI to carry on NBFC Activities under Section 45(1A) of the Reserve Bank of India Act, 1934 bearing Registration no. B-14-00127 dated February 21, 2002.

Our company was originally incorporated by Mr. Manoj Kumar Dixit and Mr. Bhushan Kumar Singh, however it is currently promoted and controlled by Mr. Gopal Bansal and Mr. Mukesh Sharma. *For details regarding the history of our company please see the chapter titled "History and Certain Corporate Matters" beginning on page 95 of this Prospectus.*

We are a Non Deposit taking Non-systemically Important Non Banking Finance Company (NBFC-ND-NSI) engaged primarily in the business of advancing loans and investing/trading in securities. We have been running on a modest operating scale till 2012, however, post the induction of Mr. Gopal Bansal, a Chartered Accountant by Qualification, we have commenced a process of improving our internal systems including but not limited to Trading Strategies, Financial Discipline and better utilization of our fund based portfolio, through which we have posted a Net Profit before tax of ₹ 125.76 lacs for the nine months period ended December 31, 2012 and an outstanding loan book to the tune of - ₹ 2933.17 lacs. We propose to increase our operating efficiencies and scale and plan to become a notable player in the Finance and Investment Field in India.

Business Strengths

1. Well Qualified and Experienced Promoters:

Our management team is backed by promoters who have requisite qualification and experience in capital markets and financial services industry. We believe that their strong technical experience and industry networks will help us in achieving our key business strategies. For further details regarding the experience and qualifications of our management and Promoters please see the chapter titled "Our Management" and "Our Promoters & Promoter Group" beginning on pages 98 and 108 of this Prospectus respectively.

2. Long Standing Track-record and Established relationships

Our company received its NBFC Registration in 2002. Hence, this company has been in the business of providing short term as well as longer duration loans and advances in the North Indian region for over a decade. Our newly inducted promoter – Mr. Gopal Bansal along with our other directors proposes to utilise the readily available database of clients as well as long standing relationships with Capital Market Players to ensure effective utilisation of our assets and improve the overall operational and financial efficiencies of the company.

3. Internal Control and Risk Management

The Company believes that it has internal controls and risk management systems to assess and monitor risks. The company has its management team which monitors and manages risks by monitoring trends that may have an effect on the economic environment and actively assesses on a routine basis the market value of the Company's loan book. There have not been any loans write-offs or bad debts in our company till date. The Company seeks to monitor and control its risk exposure through a variety of separate but complementary financial and operational reporting systems. The Company believes it has effective procedures for evaluating and managing the market, operational and other risks to which it is exposed.

Business Strategy

1. Improve the tangible asset quality of our balance sheet

We do not have any major fixed assets on our company's balance sheet. We believe that in today's uncertain times a stronger tangibility if the balance sheet could bode well for us if we plan to increase our business scalability and help us secure funding etc from Banks and Financial Institutions. Hence, we are proposing to acquire an office space of approximately 329.40 sq.mt. at New Delhi. For further details please see the chapter titled "Objects of the Issue" beginning on page 55 of this Prospectus. Further, we believe that investment in real estate could also help us generate shareholder wealth for the future.

2. Adherence to a disciplined investment process

The Company will continue to trade and invest in Stock Markets and other avenues consistent with its investment process as approved by the management from time to time. The company in accordance with its investment process will aim to invest /trade in a diversified portfolio of securities (quoted and unquoted) of companies which are expected to give superior returns. The Company believes that such investments provide a sustainable competitive advantage to the Company and would contribute to its income streams. With the induction of new Promoter; we propose to improve our internal systems and methodologies. For details regarding our proposed Processes please see "*Key Business Processes*" and "*Summary of Key Policies*" beginning on pages 83 and 84 of this Prospectus respectively.

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.

The company wants to expand its portfolio of products and services by introducing products such as Loans against Property, IPO Funding, Financial and Management Consultancy in addition with the existing products of Unsecured ICDs and Loans and Personal Loans. We plan to continue to sell our products and services to

existing corporate client base and further target other High Net Worth Individuals and Firms with impeccable credit track record to whom the company may advance funds both secured/ unsecured based on the risk profile and as envisaged in the loan policy of the company.

DETAILS OF OUR BUSINESS

Location

Our Company operates from its Registered office located at D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector 14, Rohini, New Delhi – 110085, India. There are no branch offices of our company currently.

Key Business Processes

We have been running on a modest operating scale till 2012, however, post the induction of Mr. Gopal Bansal, a Chartered Accountant by Qualification, we have commenced a process of improving our internal systems including but not limited to Trading Strategies, Financial Discipline and better utilization of our fund based portfolio.

FLOW CHART FOR PROPOSED PROCESS OF GIVING LOAN AGAINST SHARES AND IPO FUNDING



FLOW CHART FOR PROCESS OF MAKING INVESTMENTS/TRADING BETS



Summary of our Key Policies

A. KYC Policy

A KYC policy document has been issued pursuant to RBI Notification DNBS (PD). CC 48/10.42/2004-05 dated February 21, 2005. It will be the form policy to follow certain customer identification procedure for opening of accounts and monitoring transactions of a suspicious nature for the purpose of reporting it to appropriate authority.

For Depositors

1. The company will not take any public deposit
2. No funds will be accepted from any entity other than shareholders of the company
3. PAN card copy of all the shareholders depositing money will be taken on record

For Borrowers

1. No account will be opened in anonymous or fictitious/ benami name(s)
2. KYC forms will be taken from the borrower
3. Loans will only be given to individual borrowers and not to and non-individual entity like trusts, limited companies, partnerships, etc. unless approved by the Directors
4. Necessary checks will be done before opening a new account so as to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities
5. PAN Card as proof of identity will be obtained from all clients
6. One of the proofs of address will be obtained from the clients as under Telephone bill, Bank account statement, Letter from any recognized public authority, Electricity bill and Ration card.
7. In all cases the required of the company's PMLA policy will be met with

B. Fair Practice Code

Pursuant to RBI Notification dated September 28, 2006, the Board of Directors of the company has adopted the following Fair Practices Code in its meeting held on November 19, 2006.

I. Application for loans and their processing

- a. Loan application forms will include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. The loan application form may indicate the documents required to be submitted with the application form.
- b. Acknowledgement for receipt of all loan applications will be given. The time frame within which loan applications will be disposed of will also be indicated in the acknowledgement.

II. Loan appraisal and terms/conditions

Company will convey in writing to the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record.

III. Disbursement of loans including changes in terms and conditions

- a. The company will give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Company will also

ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard may be incorporated in the loan agreement.

- b. Decision to recall/accelerate payment or performance under the agreement would be in consonance with the loan agreement.
- c. Company will release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim company may have against borrower. If such right of set off is to be exercised, the remaining claims and the conditions under which company are entitled to retain the securities till the relevant claim is settled/paid.

IV. General

- a. Company should refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower has come to the notice of the lender).
 - b. In case of receipt of request from the borrower for transfer of borrower account, the consent of otherwise i.e. Objection. If any, should be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
 - c. In the matter of recovery of loans, the company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.
- V. The board of directors will form appropriate grievance redressed mechanism within the organization to resolve disputes arising in this regard. Such a mechanism will ensure that all disputes arising out of the decisions of lending institutions; functionaries are heard and disposed of at least at the next higher level. Periodical review of the compliance of the fair practices code and the functioning of the grievances redressed mechanism at various levels of management will be done. A consolidated report of such reviews may be asked by the board at regular intervals.

COLLABORATION/JOINT VENTURES

The company has no collaborations/joint venture agreement.

PRODUCTS AND SERVICES

We offer a variety of products and services and propose to introduce additional verticals, which are described below.

Existing Businesses:

Personal Loans/Unsecured Loans: Personal Loan is an unsecured loan, mainly offered to Individuals, which doesn't require any security and can be availed for any purpose like marriage, personal use, purchasing consumer goods and to fund holiday expenditure. The tenure of these loans given to clients is up to 1 year and shown as short term loans and advances in the balance sheet.

Inter Corporate Deposits: ICDs are offered to companies for short/long term financing, bridge loans and for short term working capital requirement. It is extended by one corporate to another.

Proposed Businesses:

In addition to the above mentioned existing business verticals, we propose to introduce below mentioned products/services in the future:

Retail IPO Funding / Loan against Shares: We propose to provide loans to retail investors who wish to apply / subscribe in an IPO by granting them loan against shares to be allotted to them in the IPO. In case the

allotment money is refunded, the application is immediately closed and in case of allotment, loan is repayable within 6 months. Interest shall be payable every quarter.

Loan against shares is available in the form of an overdraft facility against the pledge of financial securities like shares/units/bonds. We propose to provide loans against securities where in customers seeking for loan can pledge the share that they hold in dematerialized or physical form against the loan taken. Once the loan is repaid, the pledged securities shall be released. The rate of interest keeps fluctuating depending on market practice. Securities taken as a pledge include shares, stocks, bonds, mutual funds etc.

Loans against Property: The term ‘loan against property’ refers to a situation in which the borrower takes a loan where the security for the loan is a property that is owned by the borrower. Loans against property is given across all classes of investors/borrowers i.e. individuals, body corporates, companies etc.

Financial and Management Consultancy: Financial and Management consulting is the practice of helping organizations to improve their performance, primarily through the analysis of existing organizational problems and development of plans for improvement.


COMPETITION

In financial services, the Company competes with NBFCs as well as large commercial banks. NBFCs dominated India's retail credit market during the 1990s. However, during the past five years, large commercial banks have invested significant amounts to develop the infrastructure to offer financial services. As a result of these efforts, large commercial banks now dominate this market. Following the entry of commercial banks, there is significant competition in the Indian financial services market.

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.

INTELLECTUAL PROPERTY RIGHTS

The logo “” and the name IFL is currently being registered in the name of the Company i.e. India Finsec Limited. Company has filed an application dated February 20, 2013 before the Trade Mark Registry for registration of its name and logo under Class 36. The application is pending for registration. The company shall use the logo once the same is registered.

EXISTING CAPACITY & CAPACITY UTILIZATION

Capacity and Capacity Utilization is not applicable to our Company.

HUMAN RESOURCES

As on date of this Prospectus, the Company has 14 employees.

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

PROPERTIES

LEASEHOLD PROPERTIES

The details of the leasehold properties which we occupy for our business operations are as under:

Location	Property Kind	Name of Lessor	Rent	Deposit	Rent Period
D-16, First Floor, Prashant Vihar, Sector-14, Rohini, Delhi-110085	Registered Office	Sunita Bansal & Gopal Bansal HUF	₹ 60,000/- per month	₹ 6,00,000/-	11 months w.e.f. March 01, 2013

FREEHOLD PROPERTY/LAND

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

Our company has entered into a “Sale Agreement” dated March 14, 2013 to purchase this office space. For further details regarding the costs and reasoning for this office acquisition please refer to “Objects of the Issue” beginning on page 55 of this Prospectus.

LEGAL PROCEEDINGS

Other than as described in the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 155 of this Prospectus, the Company is not currently a party to any proceedings and no proceedings are known by it to be contemplated by government authorities or third parties, which, it believes, if adversely determined, would have a material adverse effect on its business, prospects, financial condition or results of operations.

INSURANCE

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

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to the Company being a part of the non-banking industry/investment industry. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies 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 advice. 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” beginning on page 159 of this Prospectus.

NBFC Regulations

The Reserve Bank of India Act, 1934

The RBI is entrusted with responsibility of regulating and supervising activities of NBFC's by virtue of power vested in Chapter III B of the Reserve Bank of India Act, 1934 (“RBI ACT”). The RBI Act defines an NBFC under Section 45 – I (f) as:

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

“Financial Institution” and “non-banking institution” have been defined under sections 45 I (c) and 45 I (e) of the RBI Act, respectively.

The RBI has clarified through a press release (Ref. No. 1998-99 / 1269) dated 8th April, 1999 that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC (a) if its financial assets are more than 50% of its total assets (netted off by intangible assets); and (b) income from financial assets should be more than 50% of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company.

In terms of Section 45- IA of the RBI Act, no NBFC shall commence or carry on the business of a non banking financial institution without obtaining a Certificate of Registration (“CoR”). The NBFC must have a net owned fund of ₹ 200 lacs to be considered for the grant of CoR by the RBI. The RBI also has the power to exempt certain NBFC's from the requirement of obtaining the CoR. Further, every NBFC is required to submit to the RBI a certificate, latest by June every year, from its statutory auditor stating that it is engaged in the business of non-banking financial institution requiring it to hold a CoR.

Capital Reserve Fund

Under Section 45 – I (C) of the RBI Act, every NBFC must create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account before any dividend is declared. Such a fund is to be created by every NBFC irrespective of whether it is an NBFC not accepting /holding public deposit (“NBFC-ND”) or not. Further, no appropriation can be made from the fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to RBI within 21 days from the date of withdrawal.

Maintenance of Liquid Assets

The Company does not invest any fund of the public as the Company is NBFC (non-acceptance of public deposits) and it invests in securities and advances loan / money. The Company is able to maintain its liquid assets as deemed to it from time to time.

Prudential Norms

The RBI has issued the Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (“**Prudential Norms Directions**”) as amended from time to time. The Prudential Norms Directions inter alia prescribe guidelines regarding income recognition, assets classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans. The Prudential Norms Directions are not applicable to NBFC’s being investment companies provided that such NBFC is not accepting / holding public deposits. Therefore, the Prudential Norms Directions are not applicable to the Company

Asset Classification

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

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

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. Presently, the Company holds standard assets. However there are no loss assets, doubtful assets or any sub-standard assets in the Company.

Capital Adequacy Norms & Asset Liability Management

The Company is able to maintain the minimum capital ratio consisting of capital of not less than 10% of its aggregated risk weighted assets on balance sheet and of risk adjusted value of off – balance sheet. The Company’s assets are financial assets and hence the ALM guidelines requiring the NBFC to manage the asset liability is implemented by reviewing its functioning periodically and overseeing. The ALM guidelines mainly address liquidity and interest rate risks. There is no mis-match of the asset liability ratio as the interest rates have been reasonable and the same has been honoured by the domestic customers / borrowers. There have been no investments or advances subjected to overseas investors / customers and therefore, there has been no risk as to interest rate sensitivity.

Guidelines on Fair Practices Code

The RBI has prescribed guidelines on fair practices (the “Fair Practices Code”) that should be framed and approved by the Board of Directors of all NBFCs. The fair practices code further requires that it should be published and disseminated on the website of the NBFC. The Fair Practices Code includes the following requirements, which should be adhered to by NBFCs:

- Inclusion of necessary information affecting the interest of the borrower in the loan application form.
- Devising a mechanism to acknowledge receipt of loan application and establishing a time frame within which such loan applications shall be disposed.

- Conveying, in writing, to the borrower the loan sanctioned and terms thereof. The acceptance of terms should be kept in its record by the NBFC.
- Giving notice to the borrower of any change in the terms and conditions and ensuring that changes are effected prospectively.
- Refraining from interfering in the affairs of the borrower except for the purpose provided in the terms and conditions of the loan agreement.
- Not resorting to undue harassment in the matter of recovery of loans.

There have been no grievances whatsoever pending for redressal.

KYC Guidelines

The RBI has extended the KYC guidelines to NBFCs and advised all NBFCs to adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework on KYC and Anti-Money Laundering measures is put in place. The KYC policies are required to have the following key elements, namely, customer acceptance policy, customer identification procedures, monitoring of transactions risk management, customer education, introduction of new technologies- credit cards/ debit cards/smart cards/ gift cards, adherence of KYC guidelines by the persons authorized by NBFC's including brokers/agents, due diligence of persons authorized by the NBFCs including brokers/agents, customer service in terms of identifiable contact with persons authorized by the NBFCs including brokers/agents. The KYC guidelines shall also apply to the branches and majority owned subsidiaries located abroad, especially in countries which do not or insufficiently apply the Financial Action Task Force Recommendations, to the extent local laws permit.

The Company maintains the check list of the KYC and all documents as per the check list are obtained from the customers / clients and the same are maintained in hard copy as well as in soft copy. All customers are identifiable and contactable.

Norms for Excessive Interest Rates

The RBI, through its circular dated July 2, 2012, directed all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued laid down steps for regulating the rates of interest charged by the NBFCs. This circular stipulates that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and explicitly communicated in the sanction letter. Further, this is also required to be made available on the NBFC's website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

Opening of Offices or Undertaking Investment Abroad by NBFCs

By a Circular dated June 14, 2011, RBI has issued Draft Guidelines for extending no objection certificate for opening of branch/subsidiary/representative office or undertaking investment abroad by NBFCs. These guidelines amongst others require every NBFC to obtain prior approval of the RBI for opening of subsidiaries/Joint Ventures/representative office abroad or for undertaking investment in foreign entities. NBFCs are required to comply with certain conditions such as maintaining minimum net owned fund as prescribed in the explanation to Section 45-IA of the RBI Act, complying with the regulations issued under FEMA, 1999 from time to time and complying with KYC norms as prescribed under these guidelines for permitting subsidiaries/Joint Ventures/representative office or making investments abroad.

Anti Money Laundering

The RBI has issued a Master Circular dated July 1, 2009 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 (“PMLA”) is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than Rupees 1 million; (ii) all series of cash transactions integrally connected to each other which have been valued below Rupees 1 million where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds Rupees 1 million. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

Dealing in Securities

Securities regulation in India takes place under the provisions of the Companies Act, SCRA, SEBI Act, Depositories Act, 1996 and the Rules & Regulations promulgated there under. All the investments in securities and the advances of loan / money made to the customers by the Company is in accordance with and consistent with the provisions of the above said Laws governing the dealing in securities. The Company is not in violation of any of the provisions while dealing in securities.

Securitization

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI Act”) governs securitization of assets in India. The SARFAESI Act provides that any securitization or reconstruction company may acquire the assets of a bank or financial institution by entering into an agreement with such bank or financial institution for the transfer of such assets to the company. The SARFAESI Act further provides that in case the bank or financial institution is a lender in relation to any financial assets acquired by the securitization/reconstruction company as stated above, then such company shall be deemed to be the lender in relation to those financial assets. Upon such acquisition, all material contracts entered into by the bank or financial institution, in relation to the financial assets, also get transferred in favour of the securitization/reconstruction company.

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.

The Delhi Shops and Establishments Act, 1954

The Company has its registered office at D -16, First Floor, Above ICICI Bank, Prashant Vihar, Sector 14, Rohini, New Delhi – 110085, India and accordingly the provisions of Delhi Shops and Establishments Act, 1954 are applicable to the Company. The said Act regulates 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.

Other Regulations

Laws relating to Intellectual Property

The Trademarks Act, 1999 ("Trademarks Act")

Under the Trademarks Act, 1999, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks ("the Registrar"), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 years, which may be renewed for similar periods on payment of a prescribed renewal fee.

The Copyright Act, 1957 ("Copyright Act")

The Copyright Act, grants protection to the authors of literary, artistic, dramatic, musical, photographic, cinematographic or sound recording works from unauthorized uses. Various rights including ownership and economic rights are conferred on the author. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire. The penalty for general infringement of copyright is imprisonment of maximum three years and a fine of up to ₹ 200,000.

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.

The Indian Contract Act, 1872

The Indian Contract Act, 1872 ("Contract Act") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may

be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

The Specific Relief Act, 1963

The Specific Relief Act (“SR Act”) is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The SR Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. ‘Specific performance’ means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

Competition Act, 2002

The Competition Act, 2002 (the “**Competition Act**”) was enacted by the Parliament of India and governs Indian competition law. It replaced the archaic Monopoly and Restrictive Trade Practices Act. Under this act, the Competition Commission of India aims to prevent activities that have an adverse effect on competition in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (the “Competition Commission”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations.

The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in 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. Every Company assessable to income tax under this Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax etc. 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.

Regulations regarding Foreign Investment

Foreign investment in NBFCs is governed by the provisions of the FEMA read with the applicable regulations. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry has issued ‘Circular 1 of 2012’ (the “FDI Circular”) which consolidates the policy framework on FDI, with effect from April 10, 2012. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till April 9, 2012. All the press notes, press releases, clarifications on FDI issued by DIPP till April 9, 2012 stand rescinded as on April 10, 2012. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the approval route, prior approval of the GoI through FIPB is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating Foreign Investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the

foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company. The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

The Consolidated FDI Policy dated April 10, 2012 issued by the DIPP, permits investment under the automatic route in the following NBFC activities:

1. Merchant Banking
2. Under writing
3. Portfolio Management Services
4. Investment Advisory Services
5. Financial Consultancy
6. Stock Exchange
7. Asset Management
8. Venture Capital
9. Custodian Services
10. Factoring
11. Credit Rating Agencies
12. Leasing and Finance
13. Housing Finance
14. Forex Broking
15. Credit Card Business
16. Money Changing Business
17. Micro Credit
18. Rural Credit

However, in terms of the Consolidated FDI Policy, Foreign investment up to 100% is in the Company under the automatic route subject to the following :

a) Minimum capitalization norms:

- (i) For FDI up to 51% - US\$ 0.5 million to be brought upfront;
- (ii) For FDI above 51% and up to 75% - US \$ 5 million to be brought upfront;
- (iii) For FDI above 75% and up to 100% - US \$ 50 million out of which US \$ 7.5 million to be brought upfront and the balance in 24 months.

b) Minimum capitalization norm of US\$0.5 million is applicable in respect of all permitted non-fund based NBFCs with foreign investment irrespective of the level of foreign investment. However, it will not be permissible for such a company set-up any subsidiary for any other activity, nor can it participate in any equity of an NBFC holding/operating company.

c) 100% foreign owned NBFCs with a minimum capitalization of US \$ 50 million can set up step down subsidiaries for specific NBFC activities, without any restriction on the number of operating subsidiaries and without bringing in additional capital. However, the minimum capitalization condition shall not apply to downstream subsidiaries.

Joint ventures operating NBFC's that have 75% or less than 75% foreign investment will also be allowed to set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capital inflow, i.e., (a) (i), (a) (ii), (a)(iii) and(b)above.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Dynasore Leasing and Holding Private Limited on August 10, 1994 under the Companies Act, 1956 bearing Registration No. 060827 having its Registered Office in Delhi. In pursuance to a special resolution passed by the members of our Company at the EGM held on December 09, 2011, the name of the Company was changed to India Finsec Private Limited. A fresh Certificate of Incorporation consequent to change of name was issued on December 14, 2011 by the Registrar of Companies, New Delhi. Later the Company became a Public Limited Company pursuant to a special resolution passed by the members of our Company at the EGM held on December 19, 2011. A fresh Certificate of Incorporation consequent to conversion to a public limited company was issued on January 09, 2012 by the Registrar of Companies, New Delhi. The Company's Corporate Identity Number is U65923DL1994PLC060827 and its Registered Office is situated at D-16, First Floor, Above ICICI Bank, Prashant Vihar, Sector 14, Rohini, New Delhi – 110085, India.

Our company was originally incorporated by Mr. Manoj Kumar Dixit and Mr. Bhushan Kumar Singh, however it is currently promoted and controlled by Mr. Gopal Bansal and Mr. Mukesh Sharma.

Our Company was registered as a NBFC with RBI under the name Dynasore Leasing & Holding Limited to carry on NBFC Activities under Section 45(1A) of the Reserve Bank of India Act, 1934 bearing Registration no. B-14-00127 dated February 21, 2002. Later, a fresh certificate was issued by RBI dated March 09, 2012 consequent to change of name of the company to India Finsec Limited.

We are a Non Deposit taking Non-systemically Important Non Banking Finance Company (NBFC-ND-NSI) engaged primarily in the business of advancing loans and investing/trading in securities. We have been running on a modest operating scale till 2012, however, post the induction of Mr. Gopal Bansal, a Chartered Accountant by Qualification, we have commenced a process of improving our internal systems including but not limited to Trading Strategies, Financial Discipline and better utilization of our fund based portfolio, through which we have posted a Net Profit before tax of ₹ 125.76 lacs for the nine months period ended December 31, 2012 and out loan book stood at ₹ 2933.17 lacs. We propose to increase our operating efficiencies and scale and plan to become a notable player in the Finance and Investment Field in India.

For further details regarding our business operations, please see the Chapter titled “*Business Overview*” beginning on page 81 of this Prospectus.

Our Company has thirty-eight (38) shareholders, as on the date of this Prospectus.

Major events in the history of our Company:

YEAR	MAJOR EVENT
1994	Incorporation of our Company
2002	Received RBI License to carry our NBFC Activities (Non Deposit Taking Non Systemic)
2006	Our Current Promoter Mr. Mukesh Sharma was inducted on the Board
2007	Change in Management
2012	Conversion of our Company into a Public Limited Company
2012	Our Co-Promoter Mr. Gopal Bansal was inducted on the Board
2012	Issue of Bonus Shares

For details on the changes in our Registered Office Address, please see the “*Changes in Registered Office of Our Company*” beginning on page 96 of this Prospectus.

Main Objects of our Company

The main object of our Company is as follows:

1. To carry on the business of financing and advancing short term and long term loans and credits to individuals, companies or association of individuals either on securities such as lands, buildings or part thereof, machinery, plants, chattels, vehicles, shares, debentures, government securities, stock certificates, life insurance policies and unit stock-in-trade or on guarantee or clean without securities and to provide consultancy relating to all type of financial matters.
2. To Carry on and undertake the business of leasing, hire purchase, chartering, renting and to lease of all kind of purchasing, selling, hiring or letting on hire all kinds of plant, machinery, Diesel Generator Sets, data processing equipments and computers, motor car and others vehicles.
3. To carry on the business as share and stock brokers or sub-brokers, underwriters, sub-underwriters, agents and brokers for taking hold, dealing in converting stocks, shares and securities of all kinds, units of unit trust of India, debentures, bonds, Government Securities small saving scheme and generally for securities of all kinds and to carry on the above business in India and abroad and to carry on the business of holding and investment in all aspects and branches and for that purpose to subscribe, take, purchase or acquire by original subscription , contract, tender, purchase, exchange, underwrite, participate in syndicate or otherwise and whether or not fully paid up and to subscribe for the same subject to such terms and condition (if any as may be thought fit) and to hold issue reissue sell, deal or otherwise dispose of shares (whether fully paid or partly paid) stocks, debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by ant Government, public body or authorities supreme, municipal, local or otherwise, in any part of the world.
4. Subject to the approval of the SEBI and other authorities where required to carry on and undertake the business of portfolio investment in equity shares, preference shares, stocks, debentures, (convertible and non-convertible) company deposits, and to deal in Government Securities, including Government Bonds, loans, units of investments and mutual funds investments and to manage investment pools, syndicate in shares and securities and to provide a package of investment/services by acting as a manager to the public issue of securities by underwriting Securities Act as issue house and carry on the business of Registrar to investment schemes and liaison services and to act as investment consultant, finance consultants, portfolio consultant.

Changes in Registered Office of our Company

Date of Change of Registered Office	Address
April 17, 1995	Change of Registered Office from J-II/75B, DDA Flats, Kalkakji, New Delhi-110019 to 115, Manjusha, 57, Nehru Place, New Delhi-110019
July 01, 1996	Change of Registered Office from 115, Manjusha, 57, Nehru Place, New Delhi-110019 to 110, Deepali, 92, Nehru Place, New Delhi – 110 019
December 18, 2006	Change of Registered Office from 110, Deepali, 92, Nehru Place, New Delhi – 110 019 to 340/1, Than Singh Nagar, Anand Parvat, New Delhi - 110005
July 01, 2011	Change of Registered Office from 340/1, Than Singh Nagar, Anand Parvat, New Delhi – 110005 to D-16, First Floor, Main Ring Road, PrashantVihar, New Delhi – 110085
October 05, 2011	Change of Registered Office from D-16, First Floor, Main Ring Road, Prashant Vihar, New Delhi – 110085 to 340/1, Than Singh Nagar, Anand Parvat, New Delhi - 110005

November 01, 2012	Change of Registered Office from 340/1, Than Singh Nagar, Anand Parvat, New Delhi – 110005 to D-16, Ist Floor, Above ICICI Bank, Prashant Vihar, Sector – 14, Rohini, New Delhi - 110085
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The changes in our registered office were to ensure greater operational efficiency.

Amendments to the Memorandum of Association

Dates on which some of the main clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

DATE	NATURE OF AMMENDMENT
March 30, 1996	The Authorised Share Capital was increased from ₹ 2,00,000 to ₹ 60,00,000
March 29, 2008	The Authorised Share Capital was increased from ₹ 60,00,000 to ₹ 90,00,000
March 25, 2009	The Authorised Share Capital was increased from ₹ 90,00,000 to ₹ 10,50,000
March 30, 2010	The Authorised Share Capital was increased from ₹ 10,50,000 to ₹ 12,16,000
March 30, 2011	The Authorised Share Capital was increased from ₹ 12,16,000 to ₹ 19,26,000
December 09, 2011	Change of name from “Dynasore Leasing and Holdings Private Limited” to “India Finsec Private Limited”
April 30, 2012	The Authorised Share Capital was increased from ₹ 19,26,000 to ₹ 134,50,000
December 19, 2011	Conversion of Private Limited Company to Public Limited Company
February 05, 2013	The Authorised Share Capital was increased from ₹ 134,50,000 to ₹ 20,45,00,000 81(1A)

Shareholders’ Agreement

There are no Shareholders’ Agreements existing as on the date of this Prospectus.

Other Confirmations

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

Other Agreements

Except the contracts/agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement/contract as on the date of this Prospectus.

Financial Partners

We do not have any financial partners as on the date of this Prospectus.

Strategic Partners

We do not have any strategic partners as on the date of this Prospectus.

OUR MANAGEMENT

Board of Directors

At present, we have 2 Executive Directors and 2 Non-Executive Independent Directors.

The following table sets forth details regarding our Company's Board of Directors as on the date of this Prospectus:

Sr. No.	Name, Designation, Address, Occupation, Term, Date of Birth and DIN	Nationality	Age	Other Directorships
1	<p>Mr. Gopal Bansal Chairman & Managing Director</p> <p><i>Address:</i> E-1/77, 2nd Floor, Section-11, Rohini, New Delhi-110085.</p> <p><i>Occupation:</i> Professional</p> <p><i>Term:</i> January 10, 2013 to January 09, 2016</p> <p><i>Date of Birth:</i> September 13, 1975</p> <p><i>DIN:</i> 01246420</p>	Indian	37 years	<ul style="list-style-type: none"> • Sonal Mercantile Limited • Fidelo Foods Private Limited
2	<p>Mr. Mukesh Sharma Whole-time director</p> <p><i>Address:</i> F-155, Arya Samaj Road, Uttam Nagar, New Delhi - 110059</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> January 10, 2013 to January 09, 2016</p> <p><i>Date of Birth:</i> April 20, 1978</p> <p><i>DIN:</i> 00274217</p>	Indian	34 years	<ul style="list-style-type: none"> • Fidelo Foods Private Limited
3	<p>Mr. Basant Mittal Non-Executive Independent Director</p> <p><i>Address:</i> 53, JP Block, Pitampura, New Delhi - 110034</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> Liable to retire by Rotation</p> <p><i>Date of Birth:</i> April 18, 1972</p> <p><i>DIN:</i> 06462662</p>	Indian	40 years	NIL
4	<p>Ms. Charu Goyal Non-Executive Independent Director</p>	Indian	36 years	NIL

Sr. No.	Name, Designation, Address, Occupation, Term, Date of Birth and DIN	Nationality	Age	Other Directorships
	<p><i>Address:</i> 340/1, First Floor, Street No. 1, Than Singh Road, Anand Parvat, Delhi, India, 110005.</p> <p><i>Occupation:</i> Self Employed</p> <p><i>Term:</i> Liable to retire by Rotation</p> <p><i>Date of Birth:</i> August 19, 1977</p> <p><i>DIN:</i> 06464406</p>			

Further details on their qualification, experience etc., please see their respective biographies under the heading “*Brief Biographies*” below.

Other Notes:

- None of the Directors on our Board are related to each other.
- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of our directors are/have been directors in any listed company, whose shares have been suspended or delisted from any stock exchange in the past.

Confirmations

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of the Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company.

Brief Biographies

• Mr. Gopal Bansal

Mr. Gopal Bansal, aged 37 years is the Promoter of our Company and has been appointed as the Chairman and Managing Director of our company with effect from January 10, 2013. He is a Commerce Graduate from Rajasthan University and is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He has a professional experience of 9 years in the field of Finance, Project Financing, Share Market Research, Bonds Market, Taxation, Audits and also deals in matters relating to RBI. He brings with him a vast knowledge of accounts, audit, taxation. He has been associated with our company since April, 2012.

• Mr. Mukesh Sharma

Mr. Mukesh Sharma, aged 34 years, is the Promoter of our Company and was appointed as the Whole-time Director of our Company with effect from January 10, 2013. He did his Master in Commerce from Himachal Pradesh University. He has a working experience of 7 years in the field of Financing, Investment, Management Consultancy, Taxation, etc. He has been associated with our company since December, 2006.

- **Mr. Basant Mittal**

Mr. Basant Mittal, aged 40 years, was appointed as the Non-Executive Independent Director of our Company with effect from December 28, 2012. He is a Commerce Graduate from Delhi University. He has 10 years of working experience in the field of Insurance Sector, Personal Savings, Finance, Project financing, etc. He has been associated with our company since December 2012.

- **Ms. Charu Goyal**

Ms. Charu Goyal was appointed as a Non-Executive Independent Director of our Company with effect from December 28, 2012. She completed her Bachelor in Arts from Rajasthan University. She has a experience of 5 years in the field of financial consultancy, Investment services, Market Analyst, Portfolio Management. She has worked as a Financial Advisor with Toor Finance Company Limited. She has been associated with our company since December 2012.

Borrowing Powers of our Board of Directors

Pursuant to a Resolution passed by our shareholders at the EGM held on February 05, 2013 and subject to the provisions of the Companies Act, 1956 and other laws in force, our Articles of Association authorize our Board of Directors 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 ₹ 4000.00 lacs. 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 see the section titled "*Main Provisions of the Articles of Association of our Company*" beginning on page 201 of this Prospectus.

Remuneration of Directors

a) Executive Directors

The remuneration of our Executive Directors is as per the terms of appointment contained below:

- **Mr. Gopal Bansal, Executive Director**

The remuneration of our Managing Director, Mr. Gopal Bansal as per resolution passed in the meeting of the Board of Directors held on January 10, 2013 is detailed hereunder:

Salary: ₹ 25,000

Consolidated Allowance: Nil

Perquisites: Nil

- **Mr. Mukesh Sharma, Executive Director**

The remuneration of our Director, Mr. Mukesh Sharma as per resolution passed in the meeting of the Board of Directors held on January 10, 2013 is detailed hereunder:

Salary: ₹ 20,000

Consolidated Allowance: Nil

Perquisites: Nil

b) Non-Executive Independent Directors

The Board of Directors have accorded their approval for payment of sitting fee, in their meeting held on January 10, 2013, whereby the Non-Executive Independent 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 remuneration was paid to the Non-Executive Independent Directors in the preceding fiscal year.

Shareholding of Directors

The following table sets forth the shareholding of our Directors as on the date of this Prospectus:

Name of Directors	No. of Equity Shares held
Gopal Bansal	24,500
Mukesh Sharma	967,540
Basant Mittal	NIL
Charu Goyal	NIL
TOTAL	992,040

Interest of Directors

Except as stated in the chapter titled “*Related Party Transactions*” beginning on page 117 of this Prospectus, all our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them in accordance with the provisions of the Companies Act and in terms of the Articles.

The Directors may also be regarded as interested in the shares, if any, held by them or that may be subscribed by and allotted/transferred to the companies, firms and trusts and other entities in which they are interested as Directors, members, partners and/or trustees or otherwise as also any benefits, monetary or otherwise derived there from.

Further, some of our director and their relatives may be deemed to be interested upto the extent of funds utilized from this issue aggregating to ₹ 275.00 lacs, which are proposed to be utilized to acquire office premises from these entities. For further details please refer to “Objects of the Issue” beginning on page 55 of this Prospectus.

Interest as to Property

Except as stated in the chapter titled “*Related Party Transactions*” beginning on page 117 of this Prospectus, we have not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Prospectus in which our directors are directly or indirectly interested and no payments have been made to them in respect of any contracts, agreements or arrangements which are proposed to be made to them except as mentioned in “*Objects of the Issue*” and “*Business Overview*” beginning on pages 55 and 81 of this Prospectus.

Changes in our Board of Directors in the last three years

NAME	DATE OF CHANGE	REASON
Deep Chand Singhal	November 25, 2010	Appointment
Deep Chand Singhal	January 01, 2011	Resignation
Gopal Bansal	July 15, 2011	Appointment
Gopal Bansal	October 05, 2011	Resignation
Renu Bansal	December 19, 2011	Appointment
Gopal Bansal	April 20, 2012	Appointment
Renu Bansal	December 28, 2012	Resignation
Vinod Kumar Bansal	December 28, 2012	Resignation
Basant Mittal	December 28, 2012	Appointment
Charu Goyal	December 28, 2012	Appointment

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 and Shareholders’/ Investors’ Grievance 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:

- Audit Committee
- Shareholders’/ Investors’ Grievance Committee

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 held on February 06, 2013. 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:

S. No.	Name	Designation in Committee	Nature of Directorship
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1	Mr. Basant Mittal	Chairman	Non-Executive Independent Director
2	Ms. Charu Goyal	Member	Non-Executive Independent Director
3	Mr. Gopal Bansal	Member	Chairman & Managing Director

Powers of the Audit Committee

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with reasonable expertise, if considered necessary

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

- 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.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Appointment, removal and terms of remuneration of internal auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - 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;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to the financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- 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.
- Discussions with internal auditors on any significant findings and follow up thereon.
- 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 non-payment 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' / Investor' 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 06, 2013. The committee is formed to specifically look into the redressal of shareholder and investor complaints. The members of the committee at present are:

S. No.	Name	Designation in Committee	Nature of Directorship
1	Mr. Basant Mittal	Chairman	Non-Executive Independent Director
2	Ms. Charu Goyal	Member	Non-Executive Independent Director
3	Mr. Gopal Bansal	Member	Chairman & Managing Director

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

- a) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- b) Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- c) Issue of duplicate / split / consolidated share certificates;
- d) Allotment and listing of shares;

- e) Review of cases for refusal of transfer / transmission of shares and debentures;
- f) Reference to statutory and regulatory authorities regarding investor grievances; and
- g) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

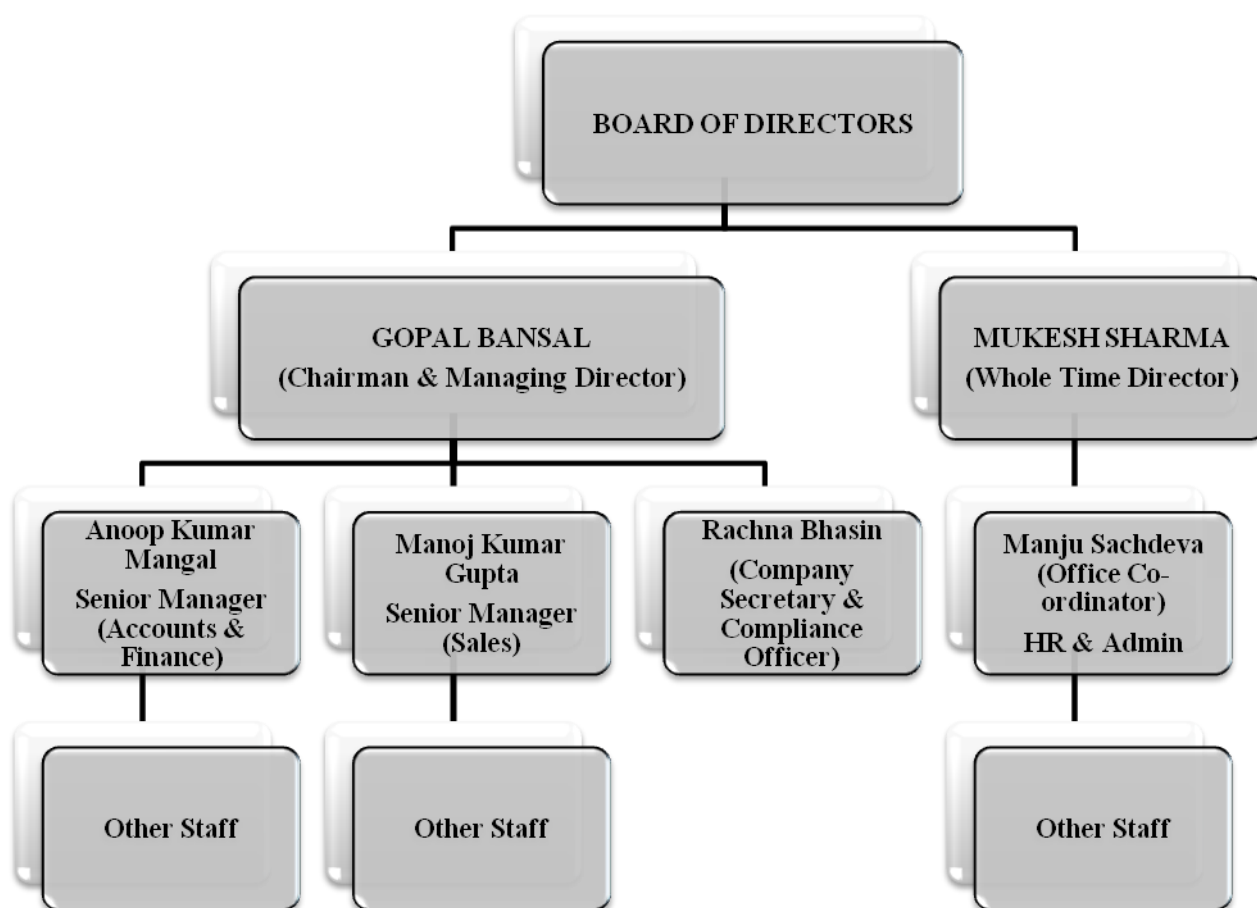
Quorum for Shareholders' / Investors' Grievance Committee

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.

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. Ms. Rachna Bhasin, 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.

Management Organisation Structure



Key Managerial Personnel

The following table sets forth the Key Managerial Personnel and their significant details:

Name of Employee	Designation & Functional Area	Date of Joining	Current C.T.C (₹ in lacs)	Perks & Requisites	Qualification	Name of Previous Employer(s)	Total years of Experience
Rachna Bhasin	Company Secretary & Compliance Officer	06/02/2013	4.80	Nil	Company Secretary, M.Com & B.Com	NIL	3 Years
Anoop Kumar Mangal	Senior Manager (Accounts & Finance)	01/04/2010	3.00	Nil	M.Com & B.Com	M/s Eastern Play Sales (P) Ltd.	12 Years
Manoj Kumar Gupta	Senior Manager (Sales)	07/04/2010	6.28	Nil	B.E.	M/s Bhola Motor Finance (P) Ltd.	3 Years
Manju Sachdeva	Office Co-ordinator	12/04/2010	2.74	Nil	B.Com	M/s Taxus Infrastructure and Power Projects (P) Ltd.	4 Years

The aforementioned KMP are on the payrolls of our Company as permanent employees.

Also, they are not related parties as per the Accounting Standard 18.

Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP are related to each other.

Also, none of them have been selected pursuant to any arrangement/understanding with major shareholders/ customers/ suppliers.

Shareholding of Key Managerial Personnel

None of the KMP in our Company holds any shares of our Company as on the date of this Prospectus.

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.

Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years

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

Loans taken by Key Management Personnel

None of our Key Managerial Personnel have taken any loan from our Company.

Employee Share Purchase and Employee Stock Option Scheme

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.

Changes in the Key Managerial Personnel in the three years preceding the date of filing this Prospectus



Name	Designation	Date of Joining	Date of Leaving
Rachna Bhasin	Company Secretary & Compliance Officer	February 06, 2013	

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

1. Mr. Gopal Bansal
2. Mr. Mukesh Sharma

The details of our Promoters who are individuals are as follows:

	Identification	Details
Mr. Gopal Bansal 	PAN	AAHPB8176F
	Passport No.	J5324105
	Driving License Number	P04082004403795
	Voter's ID	AFQ0640227
	Bank Account Number	082701000582
	Name of Bank & Branch	ICICI BANK, New Delhi Branch
	<i>Mr. Gopal Bansal, aged 37 years is on our Board. For further details, please see chapter titled "Our Management" beginning on page 98 of this Prospectus.</i>	
Mr. Mukesh Sharma 	PAN	AMVPS1115M
	Passport No.	Not Applicable*
	Driving License Number	P-98011422
	Voter's ID	BVK0674085
	Bank Account Number	223010100106153
	Name of Bank & Branch	AXIS BANK, New Delhi Branch
	<i>Mr. Mukesh Sharma, aged 34 years is on our Board. For further details, please see chapter titled "Our Management" beginning on page 98 of this Prospectus.</i>	

*Mr. Mukesh Sharma does not hold a passport.

For additional details on the age, background, personal address, educational qualifications, experience, positions/posts held in the past, terms of appointment as Directors and other directorships of our Promoters, please see the Chapter titled "Our Management" beginning on page 98 of this Prospectus.

For details of the build-up of our Promoters' shareholding in our Company, please see the chapter titled "Capital Structure –Notes to Capital Structure" beginning on page 44 of this Prospectus.

Other undertakings and confirmations

We confirm that the PAN, bank account number and passport number of the Promoters have been submitted to the Stock Exchanges at the time of filing of the Draft Prospectus with the Stock Exchange.

Our Promoters, the members of our Group Companies and relatives of our Promoters (as per the Companies Act) have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoters, Promoter Groups or Group Companies or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed 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.

Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the sections titled “Risk Factors” and “Outstanding Litigation” beginning on pages 11 and 155 respectively of this Prospectus.

Companies with which the Promoters have disassociated in the last three years

Except as disclosed below, the promoters of our company 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. Gopal Bansal

Mr. Gopal Bansal has disassociated from the following Entities during the preceding three years:

Sr. No.	Name of Entity	Designation	Resignation Date
1.	Bhola Motor Finance Pvt Ltd ⁽¹⁾	Director	December 31, 2010
2.	Subhaagaman Buildtech Pvt Ltd ⁽²⁾	Director	September 10, 2010
3.	Magnum Powertech Pvt Ltd ⁽³⁾	Director	March 02, 2012

⁽¹⁾ Mr. Gopal Bansal was appointed as the Director in Bhola Motor Finance Pvt Ltd on December 01, 2010 and he resigned from the company on December 31, 2010 due to his pre-occupations.

⁽²⁾ Mr. Gopal Bansal was appointed as the Director in Subhaagaman Buildtech Pvt Ltd on July 24, 2010 and he resigned from the company on September 10, 2010 due to his pre-occupations.

⁽³⁾ Mr. Gopal Bansal was appointed as the Director in Magnum Powertech Pvt Ltd on September 10, 2010 and he resigned from the company on March 02, 2012 due to his pre-occupations.

Mr. Mukesh Sharma

Mr. Mukesh Sharma has disassociated from the following Entities during the preceding three years:

Sr. No.	Name of Entity	Designation	Resignation Date
1.	Sarthak Suppliers Pvt Ltd ⁽¹⁾	Director	January 12, 2013
2.	Sahaj Finvest Pvt Ltd ⁽²⁾	Director	January 12, 2013

⁽¹⁾ Mr. Mukesh Sharma was appointed as the Director in Sarthak Suppliers Pvt Ltd on January 23, 2009 and he resigned from the company on January 12, 2013 due to his pre-occupations.

⁽²⁾ Mr. Mukesh Sharma was appointed as the Director in Sahaj Finvest Pvt Ltd on August 21, 2006 and he resigned from the company on January 12, 2013 due to his pre-occupations.

Experience of Our Promoters in the business of Our Company

Our Promoters Mr. Gopal Bansal and Mr. Mukesh Sharma have an experience of over 9 years and 7 years respectively, in similar business of our company. Our Promoters are assisted by a team of qualified professionals to manage the operations of our Company.

Interests of Promoters

The Promoters are interested in the Company to the extent that they have promoted the Company and that they along with their relatives and other members of the Promoter Group hold Equity Shares in the Company. For details on the shareholding of the Promoters and Promoters Group in the Company, please see the Chapter titled “*Capital Structure*” beginning on page 43 of this Prospectus.

All Core Promoters are also Directors of the Company and hence may be interested to the extent of their remuneration and reimbursement payable to them by the Company. For further details please see the Chapter titled “*Our Management*” beginning on page 98 of this Prospectus.

Further, some of our promoter’s group members may be deemed to be interested upto the extent of funds utilized from this issue aggregating to ₹ 275.00 lacs, which are proposed to be utilized to acquire office premises from these members of the promoter’s group. For further details please refer to “*Objects of the Issue*” beginning on page 55 of this Prospectus.

Payment of benefits to the Promoters

Except as stated in “*Annexure XVII -Related Party Transactions*” of the “*Auditor’s Report*” beginning on page 135 of this Prospectus, there has been no payment of benefits to the Promoters during the two years preceding the date of this Prospectus.

Common Pursuits of Promoters

Our Promoter and the Managing Director, Mr. Gopal Bansal is on the Board of Directors of M/s. Sonal Mercantile Limited and M/s. Fidelo Foods Pvt. Ltd. while our Whole-Time Director Mr. Mukesh Sharma is on the Board of M/s. Fidelo Foods Pvt. Ltd. These companies may be enabled under their objects of their respective Memorandum of Associations to undertake activities which are similar to ours.

Our Company has not adopted any measures for mitigating such conflict situations. For further details on the related party transactions, to the extent of which our Company is involved, please see “*Annexure XVII- Related Party Transactions*” beginning on page 135 of this Prospectus.

Interest of Promoters in the Promotion of our Company

Our Company is currently promoted by Mr. Gopal Bansal and Mr. Mukesh Sharma in order to carry on its present business. Our Promoters are interested in our Company as mentioned above under “*Our Promoters and Promoter Group – Common Pursuits of our Promoters*” and to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoters in the Property of our Company

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this Prospectus or proposed to be acquired by our Company as on the date of this Prospectus, other than as mentioned in the chapter titled “*Business Overview*” and “*Objects of the Issue*” beginning on pages 81 and 55 respectively of this Prospectus.

Further, other than as mentioned in the chapter titled “*Business Overview*”, our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years

For details, please see “*Annexure XVII -Related Party Transactions*” beginning on page 135 of this Prospectus.

Interest of Promoters in our Company other than as Promoters

Other than as promoters, our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. For details please see chapters titled “Our Management” and “Capital Structure” beginning on pages 98 and 43 respectively of this Prospectus.

Except as mentioned in this section and the Chapters titled “Business Overview”, “Objects of the Issue”, “History and Certain Corporate matters” and “Financial Information-Related Party Transactions” beginning on pages 81, 55, 95 and 135 respectively, our Promoters do not have any interest in our Company other than as promoters.

Related Party Transactions

Except as stated in “Financial Information *Annexure XVII - Related Party Transactions*” beginning on page 135, our Company has not entered into related party transactions with our Promoters or our Group Companies.

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Prospectus please see chapter titled “Capital Structure – Notes to Capital Structure” beginning on page 44 of this Prospectus.

Other confirmations

Our Company has neither made any payments in cash or otherwise to the Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the section “Financial Information *Annexure XVII - Related Party Transactions*” beginning on page 135 of this Prospectus.

OUR PROMOTER GROUP

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group:

1. Natural Persons who are Part of the Promoter Group

The Natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters, are as follows:

Name of the Relative	Relationship with the Relative
Niranjana Lal Bansal	Father of Gopal Bansal
Ganga Devi Bansal	Mother of Gopal Bansal
Sunita Bansal	Wife of Gopal Bansal
Arvind Kumar Bansal	Brother of Gopal Bansal
Krishna Agarwal	Sister of Gopal Bansal
Anushka Bansal, Ananya Bansal	Daughters of Gopal Bansal
Rammurti Jaundram Sharma	Father of Sunita Bansal
Kanta Sharma	Mother of Sunita Bansal
Rajendra Kumar Sharma	Brother of Sunita Bansal
Jai Prakash Sharma	Father of Mukesh Sharma
Maya Sharma	Mother of Mukesh Sharma
Renu Sharma	Wife of Mukesh Sharma
Rajendra Sharma	Brother of Mukesh Sharma
Seema Sharma	Sister of Mukesh Sharma
Nabhya Sharma	Son of Mukesh Sharma
Brij Mohan Sharma	Father of Renu Sharma
Kusum Lata Sharma	Mother of Renu Sharma
Bhaskar Sharma	Brother of Renu Sharma

2. Other Individuals who are part of the Promoter Group: Mr. Damodar Sharma and Mr. Manoj Sharma

3. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1)(zb)(iv) of the SEBI (ICDR) Regulations, 2009, the following entities would form part of our Promoter Group:

Sr. No.	Name of Promoter Group Entity
1.	Fidelo Foods Private Limited
2.	Gopal Bansal HUF
3.	Arvind Kumar Bansal HUF

OUR GROUP COMPANIES

The following company is promoted by our Promoter (including companies under the same management pursuant to Section 370 (1B) of the Companies Act) and thus are our Group Companies as defined under Schedule VIII of the SEBI Regulations.

The said Group Company is an unlisted company and they have not made any public issue of securities (including rights) in the preceding three years. The information provided in this Chapter is as of the date of this Prospectus.

Name of the Group Company:

Fidelo Foods Pvt Ltd.

DETAILS OF OUR GROUP COMPANY:

Fidelo Foods Pvt Ltd. (“FFPL”)

FFPL was incorporated on December 18, 2010 as Fidelo Food Private Limited under the Companies Act. Its CIN is U15400DL2010PTC211527. Its registered office is situated at D-16, First Floor, Above ICICI Bank, Prashant Vihar, New Delhi, Delhi, India, 110085.

The Main Objects of the Company are as follows:

1. To Carry on the business of manufacturing and trading of biscuits, cookies, namkeens, snacks and various other food products.
2. To carry on the business of hotel, bars, restaurant, snack bars, fast food cafe, motels, holiday camp, guest houses, canteen, caterers and house keepers.
3. To carry on the business as importers, exporters, import agents, buyers and sellers of all kinds of legally permissible foodstuff, caned or otherwise, including meat, beef, poultry and other livestock, sausages, preserved meat, and to act as a bakers.
4. To deal in, carry on the business of local and international food, and to cook, prepare, preserve, import, export, pack, buy, sell, dispose of, supply deal catering in a transport and deliver all kinds of international and local food as finished product, semi-finished product or as ingredients and mixes thereof.
5. To carry on all or any of the businesses of hotel keepers, innkeepers, beer-house keepers, restaurant keepers, lodging-house keeper.

The Company is currently engaged in the business of manufacturing and trading of biscuits, cookies, namkeens, snacks and various other food products.

Board of Directors

- Mr. Gopal Bansal
- Mr. Mukesh Sharma

Shareholding Pattern

The shareholding Pattern of FFPL as on date of this Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	Shareholding (%)
A.	Promoters		
1.	Mr. Gopal Bansal	11000	59.46
2.	Ms. Sunita Bansal	1000	5.41
	Total (A)	12000	64.86
B.	Others (B)	6500	35.14
	TOTAL (A+B)	18500	100.00

Financial Performance

The summary audited financial information of FFPL is as follows:

Sr. No.	Particulars	As at March 31	
		2012	2011
1.	Equity Capital	1,85,000	1,20,000
2.	Reserves (excluding revaluation reserve) and Surplus	6,436,339	182
3.	Income including other income	40,250	9,000
4.	Profit/ (Loss) after tax	1,157	182
5.	Earnings per share (face value of ₹ 10 each)	0.063	0.007
6.	Net asset value per share	357.91	10.02

**The Company was incorporated in December 2010 and hence the Annual Report for the financial year 2009-10 is not available*

HUF:

1. Arvind Kumar Bansal

Arvind Kumar Bansal HUF is a Hindu Undivided family, formed on April 20, 2006 represented by its Karta Mr. Arvind Kumar Bansal.

Financial Performance

Sr. No.	Particulars	As at March 31		
		2012	2011	2010
1	Capital	1,475,559.01	900,767.70	410,012.25
2	Total Income	176,408	157,059	156,720

2. Gopal Bansal

Gopal Bansal HUF is a Hindu Undivided family, formed on December 15, 2005 represented by its Karta Mr. Gopal Bansal.

Financial Performance

Sr. No.	Particulars	As at March 31		
		2012	2011	2010
1	Capital	787,559.06	619,013.71	523,725.24
2	Total Income	427,976	283,794	127,964

Defunct Group Companies

There are no Group Companies, which had remained defunct or for which application was made to the registrar of companies for striking off its name, during the five years preceding the date of this Prospectus.

Other Confirmations

None of the Group Companies have been declared as a sick company under the Sick Industrial Companies Act, 1985. There are no winding-up proceedings against any of the Group Companies.

Interest of our Promoters in our Group Companies

None of the Group Companies have any interest in any venture that is involved in activities similar to those conducted by our Company.

Outstanding Litigation

There are no outstanding litigation against our Promoters and Group Companies, except as disclosed in the sections “ Risk Factors” and “Outstanding Litigation and Material Developments” beginning on pages 108, 11 and 155 respectively of this Prospectus.

Companies with negative net worth

None of our Group Companies have negative Net Worth as at the end of their last respective financial years.

Previous Public Issues by Group Companies and Promise v/s Performance

None of our other Group Companies have made any public issue (including any rights issue to the public) during the last three years and the equity shares of such Group Companies are not listed on any stock exchange.

Common Pursuits of our Group Companies

There is no common pursuit among our Company and our Group Companies.

Related Business Transactions

For details, Please see the section titled Financial Information- “Annexure XVII -Related Party Transactions” beginning on page 135 of this Prospectus.

Sale/Purchase exceeding 10% in aggregate of the total sales or purchases of our Company

For details, Please see except as stated in “Financial Information “Annexure XVII - Related Party Transactions” beginning on page 135 of this Prospectus.

Interest of Group Companies in promotion of our Company

None of the Group Companies have any interest in the promotion of the Company, except to the extent of their shareholding in the Company, if any. For details regarding the shareholding of our Group Companies in our company please see the Chapter titled “Capital Structure” beginning on page 43 of this Prospectus.

Interest of our Group Companies in the property of our Company

None of our Group Companies have any interest in any property acquired by our Company since its incorporation preceding the date of this Prospectus or proposed to be acquired by our Company.

Payment of amount or benefits to our Group Companies during the last two years

Except as disclosed in the section “Financial Information – Related Party Transactions” beginning on page 135 of this Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company.

Interest of Group Companies in any transaction by our Company

Except as disclosed in the section “Financial Information – Related Party Transactions” beginning on page 135 of this Prospectus, none of our Group Companies were interested in any transaction by our Company involving acquisition of land, construction of building or supply of any machinery.

Business interests of our Group Companies in our Company

Except as disclosed in the section “Financial Information – Related Party Transactions” beginning on page 135 of this Prospectus, there are no business interests of our Group Companies in our Company.

Shareholding of our Group Companies in our Company

Except as stated in the chapter “Capital Structure” beginning on page 43 of this Prospectus, none of our Group Companies hold any Equity Shares in our Company.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please see Annexure *XVII* beginning on page 135 of this Prospectus under the section titled “*Financial Information*”.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditor's Report

To
The Board of Directors
INDIA FINSEC LIMITED
D-16, 1st Floor, Above ICICI Bank,
Prashant Vihar, Sector-14,
Rohini, New Delhi – 110085

Dear Sirs,

1. We have examined the attached **Restated Unconsolidated Financial Information** of **India Finsec Limited (IFL)**, as at 31st December 2012, 31st March 2012, 31st March 2011, 31st March 2010, 31st March 2009 and 31st March 2008 and **Restated Unconsolidated Profit & Loss and Cash Flow Statements** for the period ended 31st December 2012 and each of the years ended 31st March 2012, 31st March 2011, 31st March 2010, 31st March 2009 and 31st March 2008 for **India Finsec Limited** (Collectively the “**Restated Unconsolidated Financial Statements**”), as approved by the Board of Directors of IFL prepared in terms of the requirements of Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the “Act”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended to date (the “SEBI Regulations”) in connection with the Company's Proposed Initial Public Offer (IPO) of equity shares at ₹ 10/- each at such premium arrived at by the 100% Book Building Process (referred to as the “**Issue**”) as may be decided by the Company's management.
2. The Restated Unconsolidated Financial Information have been extracted by the management from the financial statements for the Period / Financial Year ended 31st December 2012, 31st March 2012, 31st March 2011, 31st March 2010, 31st March 2009 and 31st March 2008. The audit for the financial year ended 31st March 2008 was conducted by previous auditors and reliance has been placed on the financial statements audited by them.
3. Information of the Company are for the Financial Year ended 31st March 2008 is based solely on financial statements audited by previous auditor and for the Period / Financial Year ended 31st December 2012, 31st March 2012, 31st March 2011, 31st March 2010 and 31st March 2009 have been audited by us and books of account underlying those financial statements and other records of the Company, to the extent considered necessary by us, for the presentation of the Restated Unconsolidated Summary Statements under the requirements of Revised Schedule VI of the Act, in relation to the years ended 31st March 2011 and 31st March 2010, 31st March 2009 and 31st March 2008.
4. In accordance with the requirements of Paragraph B (1) of Part II of Schedule II to the Companies Act 1956, the SEBI Regulations; Revised Guidance Note on Reports in Company Prospectuses (as amended from time to time) issued by the Institute of Chartered Accountants of India (the “ICAI”) and the term of our engagement agreed with you, we further report that:
 - i. The Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at 31st December 2012, 31st March 2012, 31st March 2011, 31st March 2010, 31st March 2009 and 31st March 2008 as set out in “**Annexure I**” to this report read with the Significant Accounting Policies and related Notes in Annexure XX are after making such adjustments

and regroupings as in our opinion are appropriate in the year to which they relate and more fully described in Schedules to the Restated Unconsolidated Summary Statements.

- ii. The Restated Unconsolidated Summary of Profit & Loss Statement of the Company for the Period / Financial Year ended 31st December 2012, 31st March 2012, 31st March 2011, 31st March 2010, 31st March 2009 and 31st March 2008 as set out in “**Annexure II**” to this report read with the significant accounting policies and related Notes in Annexure XX are after making such adjustments and regroupings as in our opinion are appropriate in the year to which they relates and more fully described in Schedules to the Restated Unconsolidated Summary Statements.
- iii. We have also examined the following financial information as set out in Annexures prepared by the Management and approved by the Board of Directors relating to the Company for the Period / Financial Year ended 31st December 2012, 31st March 2012, 31st March 2011, 31st March 2010, 31st March 2009 and 31st March 2008.

Annexure III	Restated Unconsolidated Statement of Cash Flows
Annexure IV	Restated Unconsolidated Statement of Fixed Assets
Annexure V	Restated Unconsolidated Statement of Investments
Annexure VI	Restated Unconsolidated Statement of Other Non-Current Assets
Annexure VII	Restated Unconsolidated Statement of Inventories
Annexure VIII	Restated Unconsolidated Statement of Cash and Cash Equivalents
Annexure IX	Restated Unconsolidated Statement of Loans and Advances
Annexure X	Restated Unconsolidated Statement of Long Term Borrowings
Annexure XI	Restated Unconsolidated Statement of Short Term Borrowings
Annexure XII	Restated Unconsolidated Statement of Current Liabilities and Provisions
Annexure XIII	Restated Unconsolidated Statement of Income from Operations
Annexure XIV	Restated Unconsolidated Statement of Other Income
Annexure XV	Restated Unconsolidated Statement of Expenses
Annexure XVI	Restated Unconsolidated Statement of Capitalization
Annexure XVII	Restated Unconsolidated Statement of Related Parties Transaction
Annexure XVIII	Restated Unconsolidated Statement of Tax Shelters
Annexure XIX	Restated Unconsolidated Statement of Accounting Ratios
Annexure XX	Restated Unconsolidated Statement of Significant Accounting Policies and Notes to Accounts

In our Opinion, the above financial information contained in Annexure I to XX of this report read along with the Restated Unconsolidated Statement of Significant Accounting Policies, and related Notes (refer Annexure XVIII) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations and the Guidance Notes on the Reports in Company’s Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“ICAI”) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you.

Our report is intended solely for the use of management and for inclusion in the Draft Offer Document / Offer Document in connection with the proposed issue of equity shares of the Company and our Report should not to be used, referred to or distributed for any other purpose without our written consent.

FOR V.N. PUROHIT & CO.,
Chartered Accountants
Firm Regn. No. 304040E

O.P. Pareek
Partner
Membership No. 014238
New Delhi, the 21st day of March, 2013

ANNEXURE I: RESTATED UNCONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in lacs)

Particulars		As on Dec 31, 2012	As on March 31				
			2012	2011	2010	2009	2008
A	Non-Current Assets						
1	Fixed Assets						
	(i) Tangible Assets	14.51	17.32	4.42	1.25	0.17	0.24
	Less: Revaluation Reserve	-	-	-	-	-	-
	Net Block After Adjustment of Revaluation Reserve	14.51	17.32	4.42	1.25	0.17	0.24
	(ii) Capital work in Progress	-	-	-	-	-	-
2	Non-Current Investments	-	-	43.00	473.00	709.36	574.36
3	Long Term Loan & Advances	-	-	-	-	-	-
4	Other Non-Current Assets	6.84	0.28	0.33	0.31	0.24	-
	Total (A)	21.35	17.60	47.75	474.56	709.77	574.60
B	Current Assets						
1	Inventories	216.22	50.97	5.85	-	-	-
2	Trade Receivables	-	-	-	-	-	-
3	Cash and Cash Equivalents	10.13	18.67	80.94	44.06	2.97	45.43
4	Short Term Loans and Advances	2,933.17	3,660.17	2,744.14	953.43	400.99	182.28
5	Other Current Assets	33.20	19.62	16.09	5.76	2.67	0.46
	Total (B)	3,192.72	3,749.43	2,847.02	1,003.25	406.63	228.18
C	Total Assets (A+B)	3,214.07	3,767.03	2,894.77	1,477.81	1,116.40	802.78
D	Non-Current Liabilities						
1	Long Term Borrowings	8.21	11.15	-	-	-	-
2	Deferred Tax Liabilities (Net)	-	-	0.07	0.07	0.01	0.01
	Total (D)	8.21	11.15	0.07	0.07	0.01	0.01
E	Current Liabilities						
1	Short Term Borrowings	196.88	-	-	-	-	-
2	Trade Payables	0.40	2.35	3.29	-	-	-
3	Other Current Liabilities	5.23	2.50	4.77	4.11	1.86	0.11
4	Short Term Provisions	38.86	3.45	1.34	0.61	0.31	0.03
	Total (E)	241.37	8.30	9.40	4.72	2.17	0.14

F	Total Liabilities & Provisions (D+E)	249.58	19.45	9.47	4.79	2.18	0.15
G	Share Application Money	-	870.00	15.00	15.00	15.00	-
I	Net Worth (C-F-G)	2,964.49	2,877.58	2,870.30	1,458.02	1,099.22	802.63
<u>REPRESENTED BY</u>							
<u>SHAREHOLDERS' FUND</u>							
Share Capital		1,344.17	192.02	192.02	121.60	103.72	88.93
	Equity Share Capital	1,344.17	192.02	192.02	121.60	103.72	88.93
Reserves & Surplus		1,620.32	2,685.56	2,678.28	1,336.42	995.49	713.70
	Share Premium Account (A)	1,520.06	2,672.20	2,672.20	1,334.13	994.51	713.40
	Profit & Loss Account (B)	80.25	10.73	4.90	1.88	0.82	0.28
	General Reserve	20.01	2.63	1.18	0.41	0.16	0.02
Net Worth		2,964.49	2,877.58	2,870.30	1,458.02	1,099.22	802.63

ANNEXURE II: RESTATED UNCONSOLIDATED STATEMENT OF PROFITS AND LOSSES

(₹ in lacs)

Particular	For the period ended on Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
REVENUE						
Revenue from Operations	332.71	496.90	157.24	29.78	14.71	4.35
Other Income	4.56	0.06	-	-	-	-
Total Income	337.27	496.96	157.24	29.78	14.71	4.35
EXPENSES						
Purchases	312.66	435.78	25.44	-	-	-
Changes in Inventories	(165.24)	(45.12)	(5.85)	-	-	-
Employee Benefit Expenses	15.21	17.02	29.18	19.55	11.04	3.00
Financial Cost	13.18	4.32	7.60	0.10	0.06	0.11
Depreciation and Amortization Expenses	3.61	3.53	0.70	0.64	0.14	0.12
Other Administrative Expenses	32.09	70.81	95.05	7.53	2.47	1.00
Total Expenditure	211.51	486.34	152.12	27.82	13.71	4.23
Net Profit/(Loss) Before Tax	125.76	10.62	5.12	1.96	1.01	0.11
Less: Provision for Taxation						
Current Years Income Tax	38.86	3.45	1.34	0.61	0.31	0.03
Deferred Tax (Asset)\Liability	-	(0.12)	-	0.06	0.00	0.01
Prior Period Expenses/(Income)	-	-	-	-	-	-
Total	38.86	3.33	1.34	0.67	0.31	0.04
Net Profit After Tax but Before Extraordinary Items	86.90	7.29	3.78	1.29	0.70	0.07
Extraordinary items	-	-	-	-	-	-
Net Profit After Extraordinary Items Available for Appropriation	86.90	7.29	3.78	1.29	0.70	0.07
Transfer to General Reserve	17.38	1.46	0.76	0.26	0.14	0.02
Net Profit Carried to Balance Sheet	69.52	5.83	3.02	1.04	0.56	0.05

ANNEXURE III: RESTATED UNCONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in lacs)

Particular	For the period ended Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>						
Net Profit (adjusted) Before Tax and Extra-ordinary Items	125.76	10.62	5.12	1.96	1.01	0.11
Adjustments for						
Depreciation	3.61	3.53	0.70	0.63	0.13	0.12
Interest Exp.	0.80	0.50	-	-	-	-
Operating Cash Generated Before Working Capital Changes and Taxes	130.17	14.65	5.82	2.59	1.14	0.23
(Increase)/Decrease in Inventories	(165.25)	(45.12)	(5.85)	-	-	-
(Increase)/Decrease in Loans & Advances	727.00	(916.03)	(1,790.71)	(552.44)	(218.71)	(118.05)
(Increase)/Decrease in Receivables	-	-	-	-	-	31.22
(Increase)/Decrease in Other Current Assets	(13.58)	(3.53)	(10.33)	(3.09)	(2.21)	(0.34)
Increase/(Decrease) in Payables	(1.95)	(0.94)	3.29	-	-	-
Increase/(Decrease) in Other Current Liabilities	2.73	(2.27)	0.66	2.25	1.75	0.05
Operating Cash Generated Before Taxes	679.12	(953.24)	(1,797.12)	(550.69)	(218.03)	(86.89)
Less : Income Tax paid (MAT/FTB)	(3.45)	(1.34)	(0.61)	(0.31)	(0.03)	(0.01)
Net Cash Generated from Operating Activities(A)	675.67	(954.58)	(1,797.73)	(551.00)	(218.06)	(86.90)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>						
Purchase of Fixed Assets (Net)	(0.80)	(16.35)	(3.78)	(1.62)	-	(0.22)
Other Investments	-	43.00	430.00	236.36	(135.00)	(506.36)
Deferred revenue expenses	(6.55)	-	(0.11)	(0.16)	(0.31)	-
Net Cash Flow from Investing Activities (B)	(7.35)	26.65	426.11	234.58	(135.31)	(506.58)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>						

Proceeds from Issue of Share Capital and Application Money	(870.00)	855.00	1,408.50	357.51	310.90	579.45
Proceeds / (Repayment) from/of Long-term Borrowings	(2.94)	11.15	-	-	-	-
Proceeds / (Repayment) from/of shrot-term Borrowings	196.88	-	-	-	-	-
Interest Expenses	(0.80)	(0.50)	-	-	-	-
Net Cash Flow from Financing Activities (C)	(676.86)	865.65	1,408.50	357.51	310.90	579.45
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(8.54)	(62.28)	36.88	41.09	(42.47)	(14.02)
Opening Balance of Cash and Cash Equivalents	18.67	80.94	44.06	2.97	45.43	59.45
Closing Balance of Cash and Cash Equivalents	10.13	18.67	80.94	44.06	2.97	45.43

Note: Restated Unconsolidated Cash Flow Statements has been prepared under the "Indirect Method" as set out in Accounting Standard 3

ANNEXURE IV: RESTATED UNCONSOLIDATED STATEMENT OF FIXED ASSETS

(₹ in lacs)

Particular	For the period ended Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
Electrical Instruments	1.80	1.00	0.78	0.30	0.16	0.16
Less: Accumulated Depreciation	0.40	0.27	0.18	0.11	0.08	0.06
Net Block	1.40	0.73	0.60	0.19	0.08	0.09
Furniture & Fixtures	0.45	0.45	0.45	0.45	-	-
Less: Accumulated Depreciation	0.24	0.20	0.15	0.08	-	-
Net Block	0.21	0.25	0.30	0.37	-	-
Vehicles	15.54	15.54	-	-	-	-
Less: Accumulated Depreciation	4.44	1.77	-	-	-	-
Net Block	11.10	13.77	-	-	-	-
Computer	5.12	5.12	4.54	1.24	0.22	0.22
Less: Accumulated Depreciation	3.32	2.55	1.02	0.55	0.12	0.06
Net Block	1.80	2.57	3.52	0.69	0.10	0.15
Total	14.51	17.32	4.42	1.25	0.17	0.24

ANNEXURE V: RESTATED UNCONSOLIDATED STATEMENT OF INVESTMENTS

(₹ in lacs)

Particular	For the period ended Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
<u>NON-CURRENT INVESTMENTS</u>						
A) Long Term Investments						
Equity Instruments	-	-	-	-	-	-
-Quoted	-	-	-	-	-	-
-Unquoted	-	-	43.00	473.00	709.36	574.36
Total	-	-	43.00	473.00	709.36	574.36
B) Short Term Investments	-	-	-	-	-	-
C) Provision for diminution in value of Investments	-	-	-	-	-	-
Total (A+B+C)	-	-	43.00	473.00	709.36	574.36
Quoted Investments						
-Book Value	-	-	-	-	-	-
-Market Value	-	-	-	-	-	-
Unquoted Investments						
-Book Value	-	-	43.00	473.00	709.36	574.36
Total	-	-	43.00	473.00	709.36	574.36

Note

1. The above stated Investments are in the name of the Company.

ANNEXURE VI: RESTATED UNCONSOLIDATED STATEMENT OF OTHER NON-CURRENT ASSETS

(₹ in lacs)

Particular	For the period ended Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
Deferred tax assets	0.05	0.05	-	-	-	-
Deferred revenue expenses	6.79	0.23	0.33	0.31	0.24	-
Total	6.84	0.28	0.33	0.31	0.24	-

ANNEXURE VII: RESTATED UNCONSOLIDATED STATEMENT OF INVENTORIES

(₹ in lacs)

Particular	For the period ended Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
Equity Shares	119.89	49.44	5.86	-	-	-
Gold Coin	-	1.54	-	-	-	-
Bonds	96.33					
Total	216.22	50.97	5.85	-	-	-

ANNEXURE VIII: RESTATED UNCONSOLIDATED STATEMENT OF CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particular	For the period ended Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
Cash in hand	7.68	14.78	4.00	2.28	2.67	6.39
Bank Balances	2.45	3.88	76.94	41.78	0.30	39.04
Total	10.13	18.67	80.94	44.06	2.97	45.43

ANNEXURE IX : RESTATED UNCONSOLIDATED STATEMENT OF LOANS AND ADVANCES

(₹ in lacs)

Particular	For the period ended Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
SHORT TERM LOANS AND ADVANCES						
Loans & Advances	2,933.17	3,660.17	2,744.14	953.43	400.99	182.28
Total	2,933.17	3,660.17	2,744.14	953.43	400.99	182.28

ANNEXURE IIX : RESTATED UNCONSOLIDATED STATEMENT OF OTHER CURRENT ASSETS

Particular	For the period ended Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
OTHER CURRENT ASSETS						
Tax Deducted at Source	33.20	19.62	16.09	5.76	2.67	0.46
Total	33.20	19.62	16.09	5.76	2.67	0.46

ANNEXURE X: RESTATED UNCONSOLIDATED STATEMENT OF LONG TERM BORROWINGS

(₹ in lacs)

Particular	For the period ended on Dec 31, 2012		For the year ended on March 31									
			2012		2011		2010		2009		2008	
Name of the Bank	NCP	CM	NCP	CM	NCP	CM	NCP	CM	NCP	CM	NCP	CM
VEHICLE LOAN												
ICICI Bank Ltd	8.21	-	11.15	-	-	-	-	-	-	-	-	-
Total	8.21	-	11.15	-	-	-	-	-	-	-	-	-

Notes:

- 1) The Figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company
- 2) NCP stands for Non-Current Portion and CM stands for Current Maturity
- 3) Terms and Conditions of Sanction of each and every Loan are as follows –

Vehicle Loan:

Nature of Security Secured against Hypothecation of Vehicles

ANNEXURE XI: RESTATED UNCONSOLIDATED STATEMENT OF SHORT TERM BORROWINGS

(₹ in lacs)

Name of the Bank	Type of Facility	For the period ended on December 31, 2012	For the year ended on March 31				
			2012	2011	2010	2009	2008
<u>Working Capital Facilities (FB & NFB)</u>							
From Banks	Working Capital	-	-	-	-	-	-
From Others	Unsecured Loan	196.88	-	-	-	-	-
From Group Company and Directors	Unsecured Loan	-	-	-	-	-	-
	Total	196.88	-	-	-	-	-

ANNEXURE XII : RESTATED UNCONSOLIDATED STATEMENT OF CURRENT LIABILITIES & PROVISIONS

(₹ in lacs)

Particular	For the Period ended on Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
Current Liabilities						
Trade Payables	0.40	2.35	3.29	-	-	-
Total (A)	0.40	2.35	3.29	-	-	-
Short Term Provisions						
Provision for income tax	38.86	3.45	1.34	0.61	0.31	0.03
Total (B)	38.86	3.45	1.34	0.61	0.31	0.03
Other Current Liabilities						
Expenses payable	3.12	2.39	3.35	4.11	1.86	0.11
TDS payable	2.11	0.11	1.42	-	-	-
Total (C)	5.23	2.50	4.77	4.11	1.86	0.11

ANNEXURE XIII : RESTATED UNCONSOLIDATED STATEMENT OF INCOME FROM OPERATIONS

(₹ in lacs)

Particular	For the Period ended on Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
Sales	116.81	274.84	18.34	-	-	-
Interest income	215.90	222.06	138.90	29.78	14.71	4.35
Total	332.71	496.90	157.24	29.78	14.71	4.35

ANNEXURE XIV : RESTATED UNCONSOLIDATED STATEMENT OF OTHER INCOME

(₹ in lacs)

Particular	For the Period ended on Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
Dividend Income	0.30	0.06	-	-	-	-
Profit from F&O Contracts	4.26	-	-	-	-	-
Short & Excess	-	-	-	-	-	-
Total	4.56	0.06	-	-	-	-

ANNEXURE XV : RESTATED UNCONSOLIDATED STATEMENT OF EXPENSES

(₹ in lacs)

Particular	For the Period ended on Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
Purchases						
Purchase of stock in trade	312.66	435.78	25.44	-	-	-
Total-A	312.66	435.78	25.44	-	-	-
Changes in Inventories						
Inventories at the beginning	50.97	5.85	-	-	-	-
Inventories at the ending	216.22	50.97	5.85	-	-	-
Total-B	(165.25)	(45.12)	(5.85)	-	-	-
Employee Benefit Expenses						
Director Remuneration	-	1.65	2.40	2.40	1.44	-
Salary to staff	14.46	14.80	25.73	16.33	9.60	3.00
Staff welfare expenses	0.75	0.57	1.05	0.82	-	-
Total-C	15.21	17.02	29.18	19.55	11.04	3.00
Financial Cost						
Bank charges	0.04	0.12	0.13	0.10	0.06	0.01
Interest on car loan	0.80	0.50	-	-	-	-
Interest on loan	12.34	3.70	7.47	-	-	0.10
Total-D	13.18	4.32	7.60	0.10	0.06	0.11
Depreciation and Amortization Expenses						
Depreciation	3.61	3.44	0.61	0.55	0.07	0.12

Deferred revenue expenses w/off	-	0.09	0.09	0.09	0.06	-
Total-E	3.61	3.53	0.70	0.64	0.14	0.12
Other Administrative Expenses						
Other Administrative Expenses	32.09	70.81	95.05	7.53	2.47	1.00
Total-F	32.09	70.81	95.05	7.53	2.47	1.00
TOTAL	211.50	486.34	152.12	27.82	13.71	4.23

ANNEXURE XVI: RESTATED UNCONSOLIDATED STATEMENT OF CAPITALIZATION

(₹ in lacs)

Particular	Pre Issue as at December 31 2012	Post Issue
Debt		
Long Term Debt	8.21	8.21
Short Term Debt	196.88	196.38
Total Debts (A)	205.09	204.59
Equity (Shareholder's funds)		
Equity share capital	1,344.17	1,944.17
Reserve and Surplus	1,620.32	1,620.32
Total Equity(B)	2,964.49	3,564.49
Long Term Debt / Equity Shareholder's funds	0.003 : 1	0.002 : 1
Total Debts / Equity Shareholder's funds	0.07 : 1	0.06 : 1

Notes:

1. The above has been computed on the basis of Restated Unconsolidated Summary Statements of the Company.

ANNEXURE XVII: RESTATED UNCONSOLIDATED STATEMENT OF RELATED PARTIES AND TRANSACTIONS

(₹ in lacs)

Nature of Transaction / Name of Related party		For the period ended on Dec 31 2012	For the year ended on March 31				
			2012	2011	2010	2009	2008
	Nature of Relationship						
Remuneration and Allowance							
Mr. Vinod Kumar Bansal*	Director	-	1.60	2.40	2.40	1.44	-
	Total	-	1.60	2.40	2.40	1.44	-

ANNEXURE XVIII: RESTATED UNCONSOLIDATED STATEMENT OF TAX SHELTER

(₹ in lacs)

Particular	For the period ended on Dec 31 2012	For the year ended on March 31				
		2012	2011	2010	2009	2008
Normal Corporate tax rates (%)	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Minimum alternative tax rates	18.50%	18.50%	18.00%	15.00%	10.00%	10.00%
Profit before tax as per Restated P/L	125.76	10.62	5.12	1.96	1.01	0.11
Applicable Corporate tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Notional tax as per tax rate on profits (A)	37.73	3.19	1.54	0.59	0.30	0.03
-						
<u>Tax Adjustment</u>						
<u>Permanent Difference</u>						
Donation & Other Expenses	-	-	-	-	-	-
Cash expenses disallowable u/s 40A(3)	-	-	-	-	-	-
Total Permanent Difference (B)	-	-	-	-	-	-
<u>Timing Difference</u>						
Depreciation - including unabsorbed depn	3.61	3.44	0.61	0.55	0.07	0.12
Deferred revenue expenses w/off	-	0.09	0.09	0.09	0.06	-
Total Timing Difference (C)	3.61	3.53	0.70	0.64	0.14	0.12
Business Losses not set off in	-	-	-	-	-	-

past years (D)						
Total Adjustment (E) = (B+C+D)	3.61	3.53	0.70	0.64	0.14	0.12
Tax Expenses / (Saving) thereon (F) = (E)* Tax rate	1.08	1.06	0.21	0.19	0.04	0.04
Tax payable as per normal provisions (other than 115JB) of the Act (G)	37.73	3.19	1.54	0.59	0.30	0.03
MAT tax rate (H)	18.50%	18.50%	18.00%	15.00%	10.00%	10.00%
Tax under MAT (I)	23.27	1.96	0.92	0.29	0.10	0.01
Tax payable for the year maximum of (G) or (I)	37.73	3.19	1.54	0.59	0.30	0.03
Interest under section 234B & 234C (As per income tax return)	-	-	-	-	-	-
Total Tax Payable(*)	37.73	3.19	1.54	0.59	0.30	0.03

Notes:

1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Unconsolidated Profit and Loss Account'

* The above tax payable does not include Surcharge, Education Cess and Higher Education Cess, if any

ANNEXURE XIX : RESTATED UNCONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

Particulars	As on Dec 31	As on 31st March				
	2012	2012	2011	2010	2009	2008
Basic Earnings Per Share (₹)	0.72	0.38	0.31	0.12	0.08	0.01
Diluted Earnings Per Share (₹)	0.72	0.38	0.31	0.12	0.08	0.01
Basic Earnings Per Share (Including Bonus Effect) (₹)	0.65	0.06	0.05	0.02	0.01	0.00
Net Profit After Tax as restated attributable to equity shareholders.	86.90	7.29	3.78	1.29	0.70	0.07
Weighted average No. of Equity shares outstanding during the year	12,017,242	1,920,245	1,215,995	1,037,245	889,295	599,570
Weighted average No. of Equity shares outstanding during the year (Including Bonus effect)	13,441,715	11,521,470	7,295,970	6,223,470	5,335,770	3,597,420
Net Worth at the end the year	2,964.49	2,877.58	2,870.30	1,458.02	1,099.22	802.63
Total No. of proportionate Equity Shares outstanding at the end of the year	13,441,715	1,920,245	1,920,245	1,215,995	1,037,245	889,295.00
Return on Net worth (%)	2.93%	0.25%	0.13%	0.09%	0.06%	0.01%
Net Asset Value per Equity Shares (₹)	22.06	149.85	149.48	119.90	105.97	90.25

Notes to Accounting Ratios:

a) The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V respectively. b) Formulas used for calculating above ratios are as under:

- i. Basic EPS is being calculated by using the formula: $\text{Net Profit after excluding Extra-ordinary items} / \text{Weighted Average No. of outstanding shares}$.
- ii. Basic EPS(Including bonus Effect) is being calculated by using the formula: $\text{Net Profit after excluding Extra-ordinary items} / \text{Weighted Average No. of outstanding shares including bonus effect}$.
- iii. Net Asset Value is being calculated by using the formula: $(\text{Equity Share Capital} + \text{Reserves and Surplus}) / \text{Number of Equity Shares at year end}$.
- iv. Return on Net worth is being calculated by using the formula: $\text{Profit After Tax} / (\text{Equity Share Capital} + \text{Reserve and Surplus})$.
- v. Net Tangible Assets comprises Net Fixed Assets and Net Working Capital .

* There is no revaluation reserve in last five years of the Company.

* As there is no dilutive capital in the company, Basic and Diluted EPS are similar.

FOR V.N. PUROHIT & CO.
Firm Regn. No. 304040E
Chartered Accountants

**For and on behalf of the Board of
Directors of
INDIA FINSEC LIMITED**

O.P. Pareek
Partner
Membership No. 014238
New Delhi, the 21st day of
March 2013

Gopal Bansal Mukesh Sharma
Director Director

ANNEXURE XX**RESTATED UNCONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES****A. Basis of Preparation of Financial Statements:-**

The Financial Statements are prepared under the Historical Cost Convention and comply in all material aspects with the applicable Accounting Principles in India and Accounting Standards notified under sub-section 3(C) of Section 211 of The Companies Act, 1956 and the relevant provisions of The Companies Act, 1956.

B. Use of Estimates:-

The preparation of Financial Statements required estimates and assumptions to be made that affect the reported amount of Assets and Liabilities on the date of Financial Statement and the reported amount of Revenues and Expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known/materialized.

C. Own Fixed Assets:-

Fixed Assets are valued at cost less accumulated depreciation and net of CENVAT, unless revalued, for which proper disclosure is made.

All expenditure, including advances given and interest cost during the project construction period, are accumulated and shown as Capital Work-in-Progress until the project/assets commences commercial production. Assets under construction are not depreciated. Expenditure arising out of trial run is part of pre operative expenses included in Capital Work-in-Progress.

D. Depreciation:-

Depreciation on Fixed Assets has been provided only on the assets which are put to use by W.D.V. Method of Depreciation at the rates and manner prescribed under Schedule XIV of the Companies Act, 1956 as amended. The depreciation has been provided on pro rata basis for the assets purchased during the period.

E. Revenue Recognition:-

Revenue from sale of goods is recognized (net of sales return & trade discounts) on transfer of significant risks and rewards of ownership to the buyer. Other Income if any accounted on accrual basis.

F. Inventories :

The general practice adopted by the Company for valuation of inventory is at cost.

G. Foreign Currency Transactions: NIL**H. Excise Duty/Vat/ Service Tax: NIL****I. Lease: NIL**

J. Investment

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

K. Impairment of Assets :

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment thereof based on external/ internal factors. An impairment loss in accordance with Accounting Standard-28 "Impairment of Assets " is recognized wherever the carrying amount of an assets exceeds its recoverable amount, which represent the greater of the net selling price of assets and their value in use. An impairment loss recognized in prior accounting period is reversed if there has been a change in estimate of recoverable amount.

L. Employees Benefit:

The present value of the obligations under such plan is determined on actuarial valuation and amount paid for the year is recognized in the profit and loss account.

M. Borrowing cost:

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is capitalized. Other borrowing cost is recognized as expenses in the period in which they are incurred.

N. Taxation:

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 "timing difference" 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.. Deferred Tax assets are recognized only to the extend there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be adjusted.

O. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements..

FOR V.N. PUROHIT & CO.,

Chartered Accountants

Firm Regn. No. 304040E

O.P. Pareek

Partner

Membership No. 014238

New Delhi, the 21st day of March, 2013

NOTES TO ACCOUNTS:

1. The balance of sundry debtors, Creditors, Loans & advances are subject to their confirmation and reconciliation if any.
2. The Company does not have reportable Segment as per requirement of accounting standards - 17"Segment reporting". All the Revenue shown as part of revenue from operations comes from the Steel Servicing / Processing Activities of the company. All other revenues/incomes are show as Other Income.
3. The Company has not received any intimation from suppliers regarding their status under micro, Small and Medium Enterprises Development Act,2006 and hence disclosure if any in relation to amount unpaid as at the yearend as required under the said Act have not been furnished.
4. There are no changes in the Significant Accounting Policies of the company in the last five years.
5. There are no audit qualifications mentioned by the statutory auditors in the audited report of the reported years and period.
6. ADJUSTMENTS MADE OF RESTATED UNCONSOLIDATED FINANCIAL STATEMENTS DUE TO REPRESENTATION UNDER NEW FORMAT OF SCHEDULE VI OF THE COMPANIES ACT, 1956:

(Rs in Lacs)

Reconciliation on Loans					
		31/3/2011	31/3/2010	31/3/2009	31/3/2008
As per Audited Balance Sheet					
Secured Loan		-	-	-	-
Unsecured Loan		-	-	-	-
		-	-	-	-
Restated as follows:					
Short Term Borrowings		-	-	-	-
Long Term Borrowings		-	-	-	-
Other Current Liabilities		-	-	-	-
		-	-	-	-
Reconciliation of Current Assets & Loans Advances					
As per Audited Balance Sheet		31/3/2011	31/3/2010	31/3/2009	31/3/2008
Inventories		5.85	-	-	-
Sundry Debtors		-	-	-	-
Cash & Bank Balances		80.94	44.06	2.97	45.43
Loans & Advances		2744.14	953.43	400.99	182.28
Other Current Assets		16.09	5.76	2.67	0.46
Miscellaneous Expenditure		-	-	-	-
		2847.02	1003.25	406.63	228.18
Restated as follows:					

Inventories		5.85	-	-	-
Trade Receivables		-	-	-	-
Cash and Cash Equivalents		80.94	44.06	2.97	45.43
Short Term Loans and Advances		2744.14	953.43	400.99	182.28
Other Current Assets		16.09	5.76	2.67	0.46
		2847.02	1003.25	406.63	228.18
<u>Reconciliation of Current Liabilities & Provisions</u>					
As per Balance Sheet		31/3/2011	31/3/2010	31/3/2009	31/3/2008
Sundry Creditors		3.29	-	-	-
Provision for Income Tax		1.34	0.61	0.31	0.03
Proposed Dividend & DDT		-	-	-	-
Sundry Creditors for Expenses		4.77	4.11	1.86	0.11
Total		9.40	4.72	2.17	0.14
<u>Restated as follows:</u>					
Trade Payables		3.29	-	-	-
Short Term Provisions		1.34	0.61	0.31	0.03
Other Current Liabilities		4.77	4.11	1.86	0.11
Total		9.40	4.72	2.17	0.14

7. **OTHER ADJUSTMENTS MADE IN RESTATED UNCONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Dec 31, 2012 (9 months)	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09	FY 2007-08
Revenue from Operations	332.71	496.90	157.24	29.78	14.71	4.35
Other Income	4.56	0.06	-	-	-	-
Prior Period Expenses	-	-	-	-	-	-
Difference in PAT	-	-	-	-	-	-

The Financial years for the year ended 31st March, 2008, 31st March, 2009, 31st March, 2010 and 31st March, 2011 had been prepared under Revised Schedule VI. Accordingly, the previous year figures have also been re-classified to confirm to this year's classification As Per Our Report of Even Date Attached

FOR V.N. PUROHIT & CO.,
Chartered Accountants
Firm Regn. No. 304040E

O.P. Pareek
Partner
Membership No. 014238

New Delhi, the 21st day of March, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated consolidated financial statements including the notes thereto and the examination reports thereon, which appear elsewhere in this Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors", which discusses a number of factors and contingencies that could impact our financial condition and results of operations.

Unless otherwise indicated, references in this discussion and analysis to our results of operations or financial condition for a specified year are to our financial year ended March 31 of such year. In this section, any reference to "we", "us", "our", unless the context otherwise implies, refers to our Company.

Business Overview

Our Company was incorporated as Dynasore Leasing and Holding Private Limited on August 10, 1994 under the Companies Act, bearing Registration No. 060827 having its Registered Office in Delhi. In pursuance to a special resolution passed by the members of our Company at the EGM held on December 09, 2011, the name of the Company was changed to India Finsec Private Limited. A fresh Certificate of Incorporation consequent to change of name was issued on December 14, 2011 by the Registrar of Companies, New Delhi. Later the Company became a Public Limited Company pursuant to a special resolution passed by the members of our Company at the EGM held on December 19, 2011. A fresh Certificate of Incorporation consequent to conversion to a public limited company was issued on January 09, 2012 by the Registrar of Companies, New Delhi. The Company's Corporate Identity Number is U65923DL1994PLC060827 and its Registered Office is situated at D -16, First Floor, Above ICICI Bank, Prashant Vihar, Sector 14, Rohini, New Delhi – 110085, India.

Our Company is a NBFC registered with RBI to carry on NBFC Activities under Section 45(1A) of the Reserve Bank of India Act, 1934 bearing Registration no. B-14-00127 dated February 21, 2002.

We are a Non Deposit taking Non-systemically Important Non Banking Finance Company (NBFC-ND-NSI) engaged primarily in the business of advancing loans and investing/trading in securities. We have been running on a modest operating scale till 2012, however, post the induction of Mr. Gopal Bansal, a Chartered Accountant by Qualification, we have commenced a process of improving our internal systems including but not limited to Trading Strategies, Financial Discipline and better utilization of our fund based portfolio, through which we have posted a Net Profit before Tax of ₹ 125.76 lacs for the nine months period ended December 31, 2012 and an outstanding loan book to the tune of - ₹ 2933.17 lacs. We propose to increase our operating efficiencies and scale and plan to become a notable player in the Finance and Investment Field in India.

Significant Developments

Except as disclosed elsewhere in this Prospectus, there have been no significant developments after the date of the last audited financials i.e. the nine months period ended December 31, 2012.

Basis of Presentation

We have included in this Prospectus audited financial statements, as restated, for the Fiscal Years ended March 31, 2012, 2011, 2010, 2009 and 2008 and the nine months period ended December 31, 2012. All figures in relation to our income from operations, expenditures, employee remuneration, operation, selling and

distribution expenses and finance costs are derived from our restated financial statements, which give effect to the restatement adjustments.

Our financial statements are prepared under the historical cost convention in accordance with fundamental accounting assumptions and Indian GAAP and the relevant provisions of the Companies Act, including accounting standards notified there-under.

Our business primarily consists of a single business segment which is the business of advancing loans and investing/trading in securities and we have no geographical segments which are subject to different risks and returns.

Our financial statements are presented in Indian rupees.

Significant Factors Affecting Results of Operations

Our financial condition and results of operations could be mainly affected by the following factors:

- ✓ General economic and business conditions;
- ✓ Company's ability to successfully implement their expansion, business and growth strategies;
- ✓ Prevailing trends in the NBFC business models;
- ✓ Increasing competition in the NBFC business industry;
- ✓ Cyclical fluctuations in the operating results;
- ✓ Changes in laws and regulations that apply to the industry;
- ✓ Changes in fiscal, economic or political conditions in India;

For further details regarding key risks pertaining to our operations, kindly refer to the Section titled "*Risk Factors*" beginning on page 11 of this Prospectus.

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements:-

The Financial Statements are prepared under the Historical Cost Convention and comply in all material aspects with the applicable Accounting Principles in India and Accounting Standards notified under sub-section 3(C) of Section 211 of The Companies Act, 1956 and the relevant provisions of The Companies Act, 1956.

B. Use of Estimates:-

The preparation of Financial Statements required estimates and assumptions to be made that affect the reported amount of Assets and Liabilities on the date of Financial Statement and the reported amount of Revenues and Expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. Own Fixed Assets:-

Fixed Assets are valued at cost less accumulated depreciation and net of CENVAT, unless revalued, for which proper disclosure is made.

All expenditure, including advances given and interest cost during the project construction period, are accumulated and shown as Capital Work-in-Progress until the project/assets commences commercial production. Assets under construction are not depreciated. Expenditure arising out of trial run is part of pre operative expenses included in Capital Work-in-Progress.

D. Depreciation:-

Depreciation on Fixed Assets has been provided only on the assets which are put to use by W.D.V. Method of Depreciation at the rates and manner prescribed under Schedule XIV of the Companies Act, 1956 as amended. The depreciation has been provided on pro rata basis for the assets purchased during the period.

E. Revenue Recognition:-

Revenue from sale of goods is recognized (net of sales return & trade discounts) on transfer of significant risks and rewards of ownership to the buyer. Other Income if any accounted on accrual basis.

F. Inventories :

The general practice adopted by the Company for valuation of inventory is at cost.

G. Foreign Currency Transactions: NIL**H. Excise Duty/Vat/ Service Tax: NIL****I. Lease: NIL****J. Investment**

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

K. Impairment of Assets :

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment thereof based on external/ internal factors. An impairment loss in accordance with Accounting Standard-28 "Impairment of Assets " is recognized wherever the carrying amount of an assets exceeds its recoverable amount, which represent the greater of the net selling price of assets and their value in use. An impairment loss recognized in prior accounting period is reversed if there has been a change in estimate of recoverable amount.

L. Employees Benefit:

The present value of the obligations under such plan is determined on actuarial valuation and amount paid for the year is recognized in the profit and loss account.

M. Borrowing cost:

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is capitalized. Other borrowing cost is recognized as expenses in the period in which they are incurred.

N. Taxation:

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 “timing difference” 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.. Deferred Tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be adjusted.

O. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Discussion on Results of Operations

The following table sets forth select financial data from the profit and loss account of our financial statements, for the fiscals 2012, 2011, 2010 and 2009 and nine months period ended December 31, 2012, the components of which are also expressed as percentages of the total income for such periods –

(₹ in lacs)

ANNEXURE II: RESTATED UNCONSOLIDATED STATEMENT OF PROFITS AND LOSSES

Particulars	As At		As at 31 st March						
	31-Dec-12	In % of total Income	2012	In % of total Income	2011	In % of total Income	2010	In % of total Income	2009
REVENUE									
Revenue from Operations	332.71	98.65%	496.90	99.99%	157.24	100.00 %	29.78	100.00 %	14.71
Other Income	4.56	1.35%	0.06	0.01%	-	-	-	-	-
Total Income (A)	337.27	100.00 %	496.96	100.00 %	157.24	100.00 %	29.78	100.00 %	14.71
EXPENSES									
Purchases	312.66	91.90%	435.78	87.69%	25.44	16.18%	-	-	-
Changes in Inventories	(165.24)	-48.57%	(45.12)	-9.08%	(5.85)	-3.72%	-	-	-
Employee Benefit Expenses	15.21	4.47%	17.02	3.42%	29.18	18.56%	19.55	65.65%	11.04
Financial Cost	13.18	3.87%	4.32	0.87%	7.60	4.83%	0.10	0.34%	0.06
Depreciation and Amortization Expenses	3.61	1.06%	3.53	0.71%	0.70	0.45%	0.64	2.15%	0.14
Other Administrative Expenses	32.09	9.43%	70.81	14.25%	95.05	60.45%	7.53	25.29%	2.47
Total Expenditure (B)	211.51	62.17%	486.34	97.86%	152.12	96.74 %	27.82	93.42 %	13.71
Net Profit/(Loss) Before Tax (C)	125.76	37.29%	10.62	2.14%	5.12	3.26%	1.96	6.58%	1.01
Less: Provision for Taxation									
Current Years Income Tax	38.86	11.52%	3.45	0.69%	1.34	0.85%	0.61	2.05%	0.31
Deferred Tax (Asset)\Liability	-	-	(0.12)	-0.02%	-	0.00%	0.06	0.20%	0.00
Total Tax Provisions (D)	38.86	11.52%	3.33	0.67%	1.34	0.85%	0.67	2.25%	0.31
Net Profit After Tax but Before Extraordinary Items (C-D) E	86.90	25.77%	7.29	1.47%	3.78	2.40%	1.29	4.33%	0.70

Adjustment for Extraordinary items (F)	-	-	-	-	-	-	-	-	-
Net Profit After Extraordinary Items Available for Appropriation (E+/-F) G	86.90	25.77%	7.29	1.47%	3.78	2.40%	1.29	4.33%	0.70
Transfer to General Reserve (H)	17.38	5.15%	1.46	0.29%	0.76	0.48%	0.26	0.87%	0.14
Net Profit Carried to Balance Sheet (G-H) I	69.52	20.61%	5.83	1.17%	3.02	1.92%	1.04	3.49%	0.56

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations, Interest Income and other income.

Revenue from Operations

Our revenue from operations (i.e. our interest income and business activity revenue) as a percentage of total income was 99.99%, 100.00% and 100.00% in fiscals 2012, 2011 and 2010 respectively and 98.65% for the nine months period ended on December 31, 2012.

Other Income

Our other income primarily includes Dividends, Profit from F&O Contracts and short and excess incomes. Other income, as a percentage of total income was 0.01% in fiscal 2012 and 1.35% for the nine months period ended December 31, 2012. There were no other incomes in fiscals 2012, 2011 and 2010 respectively.

Expenditure

Our total expenditure primarily consists of Purchases, Employee Benefit Expenses, Financial Cost, Depreciation and Amortization Expenses and Other Administrative expenses.

Purchases

Costs of Purchased are primarily in relation to purchases of gold coins, bonds and equity shares.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include salary, bonus and allowances, workmen and staff welfare costs, Director's remuneration etc. It represents one of our significant expenses.

Other Administrative Expenses

Administrative and Other expenses primarily include Rent, Sponsorship expenses, Vehicle running and maintenance, Business Promotion Expenses etc.

Financial Cost

Financial Cost primarily consists of interest expenses and Bank Charges.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses primarily consist of depreciation/amortization on the fixed assets and Intangible Assets of our Company which primarily includes Vehicles, Furniture and fixtures, Electric Instruments and Computers.

Provision for Tax

Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

Review for the nine months period ended December 31, 2012

Income

Our total income for the nine months period ended December 31, 2012 was ₹ 340.23 Lacs. In the current period, the revenue earned from operations is 98.65% of the total income. Other income for said period was recorded at ₹ 4.56 Lacs or 1.35% of total income.

Purchases

Our cost of purchases was ₹ 312.66 Lacs or 92.70% of the total income for the nine months period ended December 31, 2012.

Employee Benefit Expenses

Our Employee Benefit Expenses accounted to ₹ 15.21 Lacs for the nine months period ended December 31, 2012. As a proportion of total income, it was 4.51%.

Other Administrative Expenses

Our Other Administrative Expenses accounted to ₹ 32.09 Lacs for the nine months period ended December 31, 2012. As a proportion of total income, it was 9.51%.

Financial Cost

Our Financial Expenses accounted to ₹ 13.18 Lacs for the nine months period ended December 31, 2012. As a proportion of total income, it was 3.91%. Our financial costs increased significantly in the above mentioned period in comparison to just preceding financial year. The main reason for this increment was increase in scale of our operations.

Depreciation and Amortization Expenses

Our Depreciation and Amortization Expenses accounted to ₹ 3.61 Lacs for the nine months period ended December 31, 2012. As a proportion of total income, it was 1.07%.

Profit before Tax

Primarily due to the reasons described above, our profit before tax was ₹ 125.76 Lacs for the nine months period ended December 31, 2012.

Profit after Tax

Our profit after tax was ₹ 88.94 Lacs for the nine months period ended December 31, 2012.

Loans and Advances

Our Loans and Advances were ₹ 2933.17 lacs for the nine months period ended December 31, 2012. Loans and Advances represents significant portion of Our Assets.

Borrowings

Our Borrowings accounted to ₹ 205.09 Lacs for nine months period ended December 31, 2012. Significant Portion of this amount was due to short term Borrowings which amounted to ₹ 196.88 lacs

Fiscal 2012 compared with fiscal 2011

Income

In fiscal 2012, we recorded a total income of ₹ 496.90 Lacs, which was 216.05%, higher than income of ₹ 157.24 Lacs in fiscal 2011. The Major factor for this increase was increase in our operations and higher operational efficiency. Other income, which was nil in previous fiscal, amounted to ₹ 0.06 lacs.

Purchases

We purchased ₹ 435.78 Lacs of goods in fiscal 2012, compared to purchases of materials of ₹ 25.44 Lacs in fiscal 2011. The near eighteen fold increase of ₹ 410.34 lacs in purchases were attributable to our increased operations and to maintain adequate inventory.

Employee Benefit Expenses

Our staff costs decreased by ₹ 12.16 Lacs, or 41.67%, from ₹ 29.18 Lacs in fiscal 2011 to ₹ 17.02 Lacs in fiscal 2012. This decrease in our staff costs were driven by a cut in the personnel strength of our company to achieve greater operational efficiency and output per personnel.

Other Administrative Expenses

Other Administrative Expenses decreased to ₹ 70.81 Lacs in fiscal 2012 from ₹ 95.05 Lacs in fiscal 2011, showing a decrease of 24.24%. During 2012, the administrative and other expenses were 14.25% of total income in fiscal 2012 as against 60.45% during fiscal 2011. The cause of decrease in these expenses was due to proper internal control of resources and grater operational efficiency.

Financial Cost

Financial expenses decreased from ₹ 7.60 Lacs in fiscal 2011 to ₹ 4.32 Lacs in fiscal 2012, showing a decrease of 43.16%. During 2012, our Company recorded financial charges of 0.87% of the total income as against 4.83% during 2011. The decrease in Financial Cost as compared to total income was primarily due to lesser interest on loan expenses.

Depreciation and Amortization Expenses

Depreciation and Amortization expenses increased by ₹ 2.83 Lacs, from ₹ 0.70 Lacs in fiscal 2011 to ₹ 3.53 Lacs in fiscal 2012. This increase was due to increase in gross fixed assets of our company.

Profit before Tax

Due to a better profit margin and operational efficiency, our PBT increased by ₹ 5.50 Lacs from ₹ 5.12 Lacs in fiscal 2011 to ₹ 10.62 Lacs in fiscal 2012.

Profit after Tax

Our profit after tax increased by ₹ 3.51 Lacs from ₹ 3.78 Lacs in fiscal 2011 to ₹ 7.29 Lacs in fiscal 2012.

Loans and Advances

Our Loans and Advances were ₹ 3660.17 lacs for the fiscal 2012. Loans and Advances represents significant portion of Our Assets. Since our business is of corporate financing, these loans and advances are part of our business activities.

Borrowings

Our Borrowings accounted to ₹ 11.15 Lacs, all of long term in nature for fiscal 2012. There were no Borrowings in our books in fiscal 2011. The reason of borrow funds was to disburse the same in our business operations.

Fiscal 2011 compared with fiscal 2010

Income

In fiscal 2011, we recorded a total income of ₹ 157.24 Lacs, which was 428.01%, higher than income of ₹ 29.78 Lacs in fiscal 2010. The Major factor for this increase was increase in our operations and higher operational efficiency. There was no other income in our company in fiscal 2011.

Purchases

We purchased ₹ 25.44 Lacs of goods in fiscal 2011. In fiscal 2010, no purchases were made. These purchases were in sync with our scale of operations.

Employee Benefit Expenses

Our staff costs increased by ₹ 9.63 Lacs, or 49.26%, from ₹ 19.55 Lacs in fiscal 2010 to ₹ 29.18 Lacs in fiscal 2011. This increase in our staff costs were driven recruitment of additional employees.

Other Administrative Expenses

Other Administrative Expenses increased from ₹ 7.53 Lacs in fiscal 2010 to ₹ 95.05 Lacs in fiscal 2011, showing an increase of ₹ 87.52 Lacs. During 2011, the other administrative expenses were 60.45% of total income in fiscal 2011 as against 25.29% during fiscal 2010. The cause of increase in these expenses was due to increased scale of operations.

Financial Cost

Financial expenses increased from ₹ 0.10 Lacs in fiscal 2010 to ₹ 7.60 Lacs in fiscal 2011, showing a significant increase of ₹ 7.50 lacs. During 2011, our Company recorded financial charges of 4.83% of the total income as against 0.34% during fiscal 2010. The increase in Financial Cost as compared to total income was due to interest on short term loans.

Depreciation and Amortization Expenses

Depreciation and Amortization expenses increased by ₹ 0.06 Lacs, from ₹ 0.64 Lacs in fiscal 2010 to ₹ 0.70 Lacs in fiscal 2011. This increase was due to increase in gross fixed assets of our company.

Profit before Tax

Due to a better profit margin and operational efficiency, our PBT increased by ₹ 3.16 Lacs from ₹ 1.96 Lacs in fiscal 2010 to ₹ 5.12 Lacs in fiscal 2011.

Profit after Tax

Our profit after tax increased by ₹ 2.49 Lacs from ₹ 1.29 Lacs in fiscal 2010 to ₹ 3.78 Lacs in fiscal 2011.

Loans and Advances

Our Loans and Advances were ₹ 2744.14 lacs for the fiscal 2011. Loans and Advances represents significant portion of Our Assets. Since our business is of corporate financing, these loans and advances are part of our business activities.

Borrowings

Our Borrowings were nil in fiscal 2011.

Fiscal 2010 compared with fiscal 2009

Income

In fiscal 2010, we recorded a total income of ₹ 29.78 Lacs, which was 102.40%, higher than income of ₹ 14.71 Lacs in fiscal 2009. The Major factor for this increase was increase in our operations and higher operational efficiency. There was no other income in our company in fiscal 2010.

Purchases

No purchases were made in fiscal 2010 of any inventory and similarly no purchases were made in fiscal 2009 also.

Employee Benefit Expenses

Our staff costs increased by ₹ 8.51 Lacs, or 77.08%, from ₹ 11.04 Lacs in fiscal 2009 to ₹ 19.55 Lacs in fiscal 2010. This increase in our staff costs were driven recruitment of additional employees and a general increase in employee salaries.

Other Administrative Expenses

Other Administrative Expenses increased from ₹ 2.47 Lacs in fiscal 2009 to ₹ 7.53 Lacs in fiscal 2010, showing an increase of ₹ 5.06 Lacs. During 2011, the other administrative expenses were 60.45% of total income in fiscal 2011 as against 25.29% during fiscal 2010. The cause of increase in these expenses was due to increased scale of operations.

Financial Cost

Financial expenses increased from ₹ 0.06 Lacs in fiscal 2009 to ₹ 0.10 Lacs in fiscal 2010, showing a general increase of ₹ 0.04 lacs. During 2010, our Company recorded financial charges of 0.34% of the total income. The increase in Financial Cost as compared to total income was due to increased bank charges.

Depreciation and Amortization Expenses

Depreciation and Amortization expenses increased by ₹ 0.50 Lacs, from ₹ 0.14 Lacs in fiscal 2009 to ₹ 0.64 Lacs in fiscal 2010. This increase was due to increase in gross fixed assets of our company.

Profit before Tax

Due to a better profit margin and operational efficiency, our PBT increased by ₹ 0.95 Lacs from ₹ 1.01 Lacs in fiscal 2009 to ₹ 1.96 Lacs in fiscal 2010.

Profit after Tax

Our profit after tax increased by ₹ 0.59 Lacs from ₹ 0.70 Lacs in fiscal 2009 to ₹ 1.29 Lacs in fiscal 2010.

Loans and Advances

Our Loans and Advances were ₹ 953.43 lacs for the fiscal 2010. Loans and Advances represents significant portion of Our Assets. Since our business is of corporate financing, these loans and advances are part of our business activities.

Borrowings

Our Borrowings were nil in fiscal 2011.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this 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 11 and 142 respectively of this 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 11 and 142 respectively of this 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*” beginning on page 11 of this 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 a Non Banking Financial Corporation and is in the business of corporate financing. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 72 of this Prospectus.

7. Status of any publicly announced new products or business segments

Please refer to the chapter titled “*Business Overview*” beginning on page 81 of this 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

Our Business is not dependent on few customers or suppliers.

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 gaming sector in India and in abroad 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 gaming companies. This we believe may impact our financial condition and operations.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

There are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against the Company, its Directors, its Promoter and its Group Entities that would have a material adverse effect on the business of the Company. There are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on the business of the Company.

PART 1: LITIGATION RELATING TO THE COMPANY

A. FILED AGAINST THE COMPANY

1. Litigation Involving Civil Laws:

NIL

2. Litigation Involving Criminal Laws.

NIL

3. Litigation involving Securities and Economic Laws

NIL

4. Litigation involving Statutory Laws

NIL

5. Litigation involving Labour Laws

NIL

B. CASES FILED BY THE COMPANY

1. Litigation involving Civil Laws:

NIL

2. Litigation Involving Criminal Laws:

NIL

3. Litigation Involving Securities and Economic Laws:

NIL

4. Litigation Involving Statutory Laws:

NIL

5. Litigation Involving Labour Laws:

NIL

C. PAST PENALTIES

NIL

PART 2: LITIGATION RELATING TO THE DIRECTORS OF THE COMPANY

A. LITIGATION AGAINST THE DIRECTORS

1. Litigation involving Civil/Statutory Laws

NIL

2. Litigation involving Criminal Laws.

NIL

3. Litigation Involving Economic Offenses.

NIL

4. Litigation involving tax liabilities.

NIL

B. LITIGATIONS FILED BY THE DIRECTORS

NIL

C. PAST PENALTIES

NIL

PART 3: LITIGATION RELATING TO THE PROMOTERS OF THE COMPANY

A. LITIGATION AGAINST THE PROMOTERS

1. Litigation involving Civil/Statutory Laws

NIL

2. Litigation involving Criminal Laws

NIL

3. Litigation Involving Securities and Economic Laws

NIL

B. LITIGATION FILED BY THE PROMOTERS

1. Litigation involving Civil/Statutory Laws

NIL

2. Litigation involving Criminal Laws

NIL

3. Litigation Involving Securities and Economic Laws

NIL

C. PAST PENALTIES

NIL

PART 4: LITIGATION RELATING TO THE GROUP COMPANIES

A. LITIGATION AGAINST THE GROUP COMPANIES

1. Litigation involving Civil Laws.

NIL

2. Litigation involving Criminal Laws.

NIL

3. Litigation Involving Securities and Economic Laws.

NIL

B. LITIGATION FILED BY THE GROUP COMPANIES

1. Litigation involving Civil Laws

NIL

2. Litigation involving Criminal Laws

NIL

3. Litigation Involving Securities and Economic Laws

NIL

C. PAST PENALTIES

NIL

PART 5: LEGAL NOTICES

1. Legal notices issued to the Company

NIL

2. Legal Notices issued by the Company

NIL

3. Legal Notices issued to the Group Companies

NIL

4. Legal Notices issued by the Group Companies

NIL

PART 6: MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE, i.e. December 31, 2012

In the opinion of the Board of our Company, there has not arisen, since the date of the last financial statements included in this Prospectus, any circumstance that materially and adversely affects or is likely to affect our business or profitability or the value of our assets or our ability to pay our liabilities within the next 12 months. Except as disclosed elsewhere in this Prospectus, there is no subsequent development after the date of the Auditor's Report which we believe is expected to have a material impact on reserves, profits, earning per share and book value of our business.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/certification bodies required for its business and no other material approvals are required by us for carrying on its present business activities.

In view of the approvals listed below, the Company can undertake its current business activities and no further material approvals from any statutory authority are required to continue those activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India does not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.

The following statement sets out the details of licenses, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business.

1. Approvals Pertaining to this Issue

The Board of Directors have vide resolution passed at its meeting held on January 10, 2013 authorised the Issue subject to the approval of the shareholders of the Company under Section 81(1A) of the Companies Act, 1956 and approvals by such other authorities as may be necessary.

The shareholders of the Company have, pursuant to a resolution dated February 05, 2013 under Section 81(1A) of the Companies Act, 1956 authorised the Issue.

2. Corporate related approvals

1. Certificate of Incorporation dated August 10, 1994 issued by the Registrar of Companies, New Delhi (“RoC”) in the name of “Dynosore Leasing and Holding Private Limited”.
2. Fresh Certificate of Incorporation dated December 14, 2011 issued by the RoC consequent upon change of name from “Dynosore Leasing and Holding Private Limited” to “India Finsec Private Limited”.
3. Certificate of change of name of the Company from “India Finsec Private Limited” to “India Finsec Limited” dated January 09, 2012, issued by the RoC upon the conversion of our Company into a Public Limited Company.
4. The Corporate Identity Number (CIN) of the Company is U74899DL1994PTC060827.

3. Business/General Approvals

Sr. No.	Particulars	Granting Authorities	Registration/Approval/Code No./ Artistic Work No.	Date of Issue	Period of Validity if specified
1	Permanent Account No. (PAN)	Income Tax Department, Govt. of India	AAACD2872L	10.08.1994	Valid until cancelled
2	Certificate from RBI to carry on business as a NBFC, Under	Reserve Bank of India	B-14.00127	21.02.2002	Valid until cancelled

Sr. No.	Particulars	Granting Authorities	Registration/Approval/Code No./ Artistic Work No.	Date of Issue	Period of Validity if specified
	Section 45IA of the RBI Act, 1934				
3	Certificate from RBI to carry on business as a NBFC, Under Section 45IA of the RBI Act, 1934 (after name change)	Reserve Bank of India	B-14.00127	09.03.2012	Valid until cancelled
4	Tax Deduction Account No. (TAN)	Income Tax Department, Govt. of India	DELD12431G	01.01.2011	Valid until cancelled
5	Registration Certificate of Establishment	Department of Labour Government of National Capital Territory of Delhi	2013007753	13.03.2013	Valid until cancelled

4. Pending Approvals Relating to Intellectual Property

Sr. No.	Nature of License/Approvals	Applicant	Application No.	Date of Filing	Class
1		Registrar of Trade Marks	1061814	20.02.2013	36

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated January 10, 2013, authorised the Issue, subject to the approval by the shareholders of our Company under Section 81 (1A) of the Companies Act.

The shareholders have authorised the Issue, by passing a Special Resolution at the Extraordinary General Meeting held on February 05, 2013 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956.

The Company has obtained approval from BSE vide letter dated April 30, 2013 to use the name of BSE in this offer Document for listing of equity shares on the SME platform of the BSE. BSE is the designated stock exchange.

Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters, Promoter Group and Group Companies, from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI.

We further confirm that none of our Company, its Promoters, its Group Companies or the relatives of our Promoters and Group Companies was ever identified as wilful defaulters by RBI or other authorities.

Association with Securities Market

We confirm that none of our Executive Directors are associated with the Securities Market in any manner. Further, we confirm that, none of our Non-Executive Independent Directors are associated with the securities market in any manner. No action has been initiated against these entities by SEBI at any time.

Eligibility for the Issue

Our Company is an “Unlisted issuer” in terms of the SEBI (ICDR) Regulation; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE).

We confirm that:

- a) In accordance with Regulation 106 (P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the total Issue Size. For further details pertaining to the said underwriting please see the chapter titled “*General Information- Underwriting*” beginning on page 39 of this 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, 1956.

- c) In accordance with Regulation 106(O) of 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 have entered into an agreement with the Lead manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of Market Making please see the chapter titled “General Information- Details of the Market Making Arrangements for this Issue” beginning on page 40 of this Prospectus.

We further confirm that we shall be complying with all other requirements as laid down for such 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. Our Company has Net Tangible assets of at least ₹ 1 crore as per the latest audited financial results
2. The Net worth (excluding revaluation reserves) of our Company is at least ₹ 1 crore as per the latest audited financial results.
3. Our Company has a 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.
4. The distributable Profit, Net Tangible Assets and Net Worth of our Company as per the restated financial statements for the year ended and as at March 31, 2012, 2011 and 2010 is as set forth below:

Particulars	Fiscal 2012	Fiscal 2011	Fiscal 2010
Distributable Profit ⁽¹⁾	7.29	3.78	1.29
Net Tangible Assets ⁽²⁾	3,747.3	2885.04	1472.78
Net Worth ⁽³⁾	2,877.58	2,870.30	1,458.02

⁽¹⁾Distributable profits have been computed in terms section 205 of the Companies Act, 1956.

⁽²⁾Net Tangible Assets are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

⁽³⁾Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

5. As on date of Prospectus, our Company has a paid up capital of ₹ 1344.17 lacs which is in excess of ₹ 1 crore, and the Post-Issue paid up capital shall also be in excess of ₹ 1 crore.

6. Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
7. Our Company has a website: www.indiafinsec.com.
8. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
9. There is no winding up petition against the Company that has been accepted by a Court.

We confirm that we have complied 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 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 SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 08, 2013 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 PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S 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. – NOTED FOR COMPLIANCE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE “MAIN OBJECTS” LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE

- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:**
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, AND**
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE “ANNEXURE A” FOR FURTHER DETAILS).**
- 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.**

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

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER
IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT
REGARDING SME EXCHANGE**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS.
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

Disclaimer Clause of the SME Platform of BSE

As required, a copy of the 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 Prospectus, shall be included in the Prospectus prior to filing with ROC.

Disclaimer from our Company and the Lead Manager

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

For details regarding the track record of the Lead Manager to the Issue, please see the website of the Lead Manager www.afsl.co.in.

CAUTION

The Lead Manager accept no responsibility, save to the limited extent as provided in the MOU for Issue Management entered into among the Lead Manager and our Company dated March 15, 2013, the Underwriting Agreement dated March 20, 2013 entered into among the Underwriters and our Company and the Market Making Agreement dated March 20, 2013 entered into among the Market Maker, Lead Manager 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 or at collection centres or elsewhere.

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, 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 not minors), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to 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 in whose possession the 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 New Delhi 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 this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any 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.

Disclaimer Clause under Rule 144a of the U.S. Securities Act

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 of 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 (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside

the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with 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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Filing

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(M)(3). However, a copy of this Prospectus shall be filed with SEBI at the Corporate Finance Department, 5th Floor, Bank of Baroda Building, 16, Sandad Marg, New Delhi – 110 001.

A copy of this Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the RoC situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110 019

Listing

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining In-Principle approval of the SME Platform of BSE. However, application shall been made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. 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 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 BSE mentioned above are taken within 12 Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated April 30, 2013 to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE.

Price Information of past issues handled by the Lead Manager

S . N o .	Issue Name	Issue size (₹ in lacs)	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 day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	SRG Housing Finance Ltd.	700.80	20.00	11/09/2012	20.30	20.30	1.50%	17,852.95	21.00	18,349.25	20.15	18,823.91	20.00	18631.10
2	Jupiter Infomedia Ltd.	408.00	20.00	16/08/2012	22.00	22.05	10.25%	17657.00	21.95	17,783.21	22.40	17,313.34	23.55	18542.31
3	Sangam	506.88	22.00	09/08/2012	22.10	22.00	0.00%	17,560.87	22.10	17,728.20	22.20	17,783.21	22.00	17313.34

	Advisors Ltd.													
4	VKS Projects Ltd.	5500.00	55.00	18/07/2012	55.80	55.05	0.09%	17185.01	55.50	16,839.19	53.10	17,601.78	52.00	17691.08
5	BCB Finance Ltd.	885.00	25.00	13/03/2012	27.00	25.70	2.80	17813.62	25.27	17361.74	25.35	17478.15	25.00	17332.62
6	Midvalley Entertainment Ltd.	6000.00	70.00	27/01/2011	73.00	58.05	(17.07)	18684.43	58.00	18008.15	60.55	18273.80	86.05	17700.91

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in lacs)	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%
2012-13	4*	7115.68	-	-	-	-	-	3	-	-	1	-	-	1
2011-12	1^	885.00	-	-	-	-	-	1	-	-	-	-	-	-
2010-11	1	6000.00	-	-	1	-	-	-	-	-	-	-	-	1

*As on the listing day, the price of Sangam Advisors Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount; As on the 30th Calendar day from the listing day, the price of SRG Housing Finance Ltd. and Sangam Advisors Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

^As on the 30th Calendar day from the listing day, the price of BCB Finance Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

Notes:

(a) In case the 10th, 20th and 30th calendar day from the date of listing is a holiday, or if the stock was not traded on the said calendar days from the date of listing, the share price and benchmark index is taken of the immediately preceding working day.

(b) BSE SENSEX has been considered as the benchmark index.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to the Company; and (b) the Lead Manager, Escrow Collection Bankers, Registrar to the Issue, the Legal Advisors 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. Ajay Aaditya & Co., Chartered Accountants, the Statutory Auditors of the Company have agreed to provide their written consent to the inclusion of their certificate on Statement of Funds Deployed dated April 30, 2013 and Statement of Tax benefits dated March 21, 2013 and M/s. V N Purohit & Co. have agreed to provide their written consent to the inclusion of their on Restated Financial Statement of the company 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 have not been withdrawn up to the time of delivery of this Prospectus.

Expert Opinion

Except for the below stated reports and certificate included in the Prospectus, our Company has not obtained any expert opinions:

1. Statutory Auditor – Statement of Tax Benefits
2. Peer Reviewed Auditor – Restated Financial Statements

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, Market Making Fees, selling commissions, SCSB's commission/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees is given below:

Sr. No.	Particulars	Amount (₹ in lacs)
1	Issue Management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	40.00
2	Printing & Stationery, Distribution, Postage, etc.	4.00
3	Advertisement and Marketing Expenses	3.00
4	Regulatory and other Expenses	3.00
Total		50.00

Fees, Brokerage and Selling Commission Payable to the Lead Manager

The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOU dated March 15, 2013, the Underwriting Agreement dated March 20, 2013 and the Market Making Agreement dated March 20, 2013 among the Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU between the Company and the Registrar to the Issue dated February 19, 2013.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is the Initial Public Offer of the 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 the Equity Shares since inception of the Company.

Capital Issue during the last three years

India Finsec Limited and its Group Companies have not made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

Previous Public and Rights Issues

We have not made any previous rights and public issues, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

Previous Issues of Equity Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page 43 of this Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Companies under the same Management

There are no companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956, that has made any public issue (including any rights issues or composite 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, Bonds, Redeemable Preference Shares and Other Instruments Issued by the Company

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

Stock Market Data for our Equity Shares

This being an initial public issue of the Company, the Equity Shares of the Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Company has appointed **Skyline Financial Services Private Limited** as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely **Skyline Financial Services Private Limited**, will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant.

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Board by a resolution on February 06, 2013 constituted a Shareholders/Investors Grievance Committee. The composition of the Shareholders/Investors Grievance Committee is as follows:

S. No.	Name	Designation in Committee	Nature of Directorship
1	Basant Mittal	Chairman	Non Executive Independent Director
2	Charu Goyal	Member	Non Executive Independent Director
3	Gopal Bansal	Member	Chairman & Managing Director

For further details, please see the chapter titled “*Our Management*” beginning on page 98 of this Prospectus.

We have also appointed Ms. Rachna Bhasin as the Company Secretary and Compliance Officer for this Issue and she may be contacted at the registered office of our Company. The contact details are as follows:

Name: Ms. Rachna Bhasin

Address: D-16, First Floor, Above ICICI Bank, PrashantVihar, Sector 14, Rohini, New Delhi -110085

Tel. No.: +91 -011- 45805612 / 47527593

Fax No.: 011-27029051

Email: info@indiafinsec.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 Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

Disposal of Investor Grievances by Listed Companies under the same Management as the Company

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 and hence there are no pending investor grievances

Change in Auditors

Our current statutory auditor M/s. Ajay Aaditya & Co. was appointed vide a special resolution on September 10, 2012 in place of M/s. P.K. Singh & Associates, Chartered Accountants who could not continue their services. M/s. P.K. Singh & Associates were appointed as the statutory auditors for the financial year ending 2011 in place of M/s. Bansal Mangal & Singhal who were the statutory auditors of the company for the financial year ending 2010. Except as mentioned herein, there has been no other change in the auditors during the last three years.

Capitalisation of Reserves or Profits

Except as stated in the chapter titled “*Capital Structure*” beginning on page 43 of this Prospectus, our Company has not capitalised our reserves or profits during the last five years.

Revaluation of Assets

We have not revalued our assets in the last five (5) years.

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of this Prospectus, the Prospectus, the 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 this 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

This Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on January 10, 2013 and was approved by the Shareholders of the Company by passing a Special Resolution at the Extraordinary General Meeting held on February 05, 2013 in accordance with the provisions of Section 81(1A) of the Companies Act, 1956.

Ranking of Equity Shares

The Equity Shares being issued 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 see the section titled "Main Provisions of the Articles of Association of our Company" beginning on page 201 of this 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 see the chapter titled "Dividend Policy" beginning on page 118 of this Prospectus.

Face Value and Issue Price

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Prospectus at the price of ₹ 10 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "Basis for Issue Price" beginning on page 59 of this 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 see the section titled "*Main Provisions of Articles of Association of our company*" beginning on page 201 of this Prospectus.

Minimum Application Value; Market Lot and Trading Lot

As per the provisions of the Depositories Act, 1996, the shares of a Body Corporate can be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

The investors have an option either to receive the security certificate or to hold the securities with depository. 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 Dematerialized form only.

Trading of the Equity Shares will happen in the minimum contract size of 10,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 10,000 Equity Share subject to a minimum allotment of 10,000 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 12 Working 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. If the issuer does not receive the subscription of 100% of the Issue through this Offer Document including devolvment of Underwriters within sixty days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of 10,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

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 see the section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page 201 of this 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 Platform of BSE.

Migration to Main Board

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, 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 Paid up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued 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 Maker 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 our Company, the Lead Manager and the Market Maker, please see the chapter titled "*General Information - Details of the Market Making Arrangement for this Issue*" beginning on page 40 of this Prospectus.

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in New Delhi, Delhi. 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)(2) of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "Terms of the Issue" and "Issue Procedure" beginning on pages 174 and 180 respectively, of this Prospectus.

Following is the issue structure:

Public issue of 6,000,000 Equity Shares of ₹10 each (the "Equity Shares") for cash at a price of ₹10 per Equity Share aggregating to ₹ 600 lacs ("the Issue") by India Finsec Limited ("IFL" or the "Company" or the "Issuer").

The issue comprises a Net Issue to Public of 5,000,000 Equity Shares of ₹ 10 each ("the Net issue"), a reservation of 350,000 Equity Shares for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and a reservation of 650,000 Equity shares for subscription by Promoters ("Promoter's Contribution").

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	5,000,000 Equity Shares	350,000 Equity Shares
Percentage of Issue Size available for allocation	83.33% of the Issue Size	5.83% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 10,000 Equity Shares and further allotment in multiples of 10,000 Equity Shares each.	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	<p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000.</p> <p><i>For Retail Individuals:</i></p> <p>10,000 Equity Shares</p>	350,000 Equity Shares
Maximum Application Size	<p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Size does not</p>	350,000 Equity Shares

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
	<p>exceed 5,000,000 Equity Shares.</p> <p><i>For Retail Individuals:</i></p> <p>Such number of Equity Shares in multiples of 10,000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000.</p>	
Mode of Allotment	Dematerialized Form or Physical Form, at the option of the applicant	Dematerialized Form
Trading Lot	10,000 Equity Shares	10,000 Equity Shares, However the Market Maker 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.	

** 50 % of the shares offered are reserved for allocation to applications below or equal to ₹ 2 lacs and the balance for higher amount applications.*

Withdrawal of the Issue

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of BSE for listing of Equity Shares offered through this Issue on its SME Platform, which the Company shall apply for only after Allotment

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.

The LM, 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 offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Issue Programme

ISSUE OPENING DATE	May 24, 2013
ISSUE CLOSING DATE	May 28, 2013

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

ISSUE PROCEDURE

Fixed Price Issue Procedure

This Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) 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 them to 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 based on technical grounds only.

Allotment in this Issue will be only in dematerialization form as the Issue Size exceeds Rupees Ten Crores as per Section 68B of the Companies Act, 1956.

Application Form

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. 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 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 SCSBs 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 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	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs applying on a repatriation basis	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.

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, from the Corporate Office of the 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) Allotment in this Issue will be only 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.

Who Can Apply?

- ✓ Indian nationals resident in India, who are not minors, in single or joint names (not more than three);
- ✓ Hindu Undivided Families or HUFs, in the individual name of the Karta. The 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;
- ✓ Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorised to invest in equity shares;
- ✓ Mutual Funds registered with SEBI;
- ✓ Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;
- ✓ Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- ✓ FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB portion;
- ✓ Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applications portion;
- ✓ VCFs registered with SEBI;
- ✓ FVCIs registered with SEBI;
- ✓ Eligible QFIs;
- ✓ Multilateral and bilateral development financial institutions;
- ✓ State Industrial Development Corporations;
- ✓ Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- ✓ Scientific and/or industrial research organizations authorized in India to invest in equity shares;
- ✓ Insurance companies registered with Insurance Regulatory and Development Authority;
- ✓ Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- ✓ Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;

- ✓ Limited liability partnerships;
- ✓ National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- ✓ Nominated Investor and Market Maker
- ✓ Insurance funds set up and managed by the army, navy or air force of the Union of India; and
- ✓ Multilateral and Bilateral Development Financial Institutions
- ✓ Insurance funds set up and managed by the Department of Posts, India
- ✓ Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

Applications not to be made by:

- ✓ Minors
- ✓ Partnership firms or their nominations
- ✓ Foreign Nationals (except NRIs)
- ✓ Overseas Corporate Bodies

Maximum and Minimum Application Size

a) For Retail Individual Applicants

The Application must be for a minimum of 10,000 Equity Shares and in multiples of 10,000 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 10,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Applicant cannot withdraw or lower the size of their Applications (both in terms of number of Equity Shares applied for and Application Amount) at any stage and are required to pay the entire Application Amount upon submission of the Application.**

The identity of QIBs applying in the Net Issue under the QIB Portion shall not be made public during the subscription Period. 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 Prospectus.

Information for the Applicants

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office or from the Corporate Office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

Participation by associates / affiliates of LM

The LM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling its underwriting obligations. However, except for MSB E- Trade Securities Ltd., which shall be subscribing under the Market Maker Reservation Portion, associates and affiliates of the LM may subscribe for Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

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 HUFs 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.

Multiple Applications: 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/FIIs 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 paid-up capital. In respect of an FII investing in the 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 of the Company or 5% of the total issued capital, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside India through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. As of the date of the Prospectus, no such resolution has been recommended to the shareholders of our Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ("SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the LM that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

Applications by Eligible QFIs

The RBI in its circular dated January 13, 2012 has permitted Eligible QFIs to purchase equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest through SEBI registered qualified depository participants ("DP") in equity shares of Indian companies which are offered to the public in India in accordance with SEBI regulations. The individual and aggregate

investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap.

SEBI in its circular dated January 13, 2012 has specified among other things eligible transactions for Eligible QFIs (which includes purchase of equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors with respect to margins, voting rights, public issues etc.

Eligible QFIs are required to instruct their DPs to make the application on their behalf for the Issue. DPs are advised to use the Application Form meant for Non-Residents (blue in colour). DPs are required to utilise the ASBA process to participate in the Issue.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

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.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended ("LLP Act") a certified copy of certificate of registration issued under the LLP Act must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

Applications by Insurance Companies

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

- b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and
- c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, i.e. December 26, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

Application by Provident Funds/ Pension Funds

In case of applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 2500 lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

Application under Power of Attorney

In case of applications made pursuant to a power of attorney by Limited Companies, Corporate Bodies, Registered Societies, Mutual Funds, Eligible QFIs, Insurance Companies and Provident Funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores 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 with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a Chartered Accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this 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 Application Form shall bear the stamp of the SCSBs and if not, the same shall be rejected.

The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account.

In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM. ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the

SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorize 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.

ESCROW MECHANISM

Terms of Payment / Payment Instructions

The entire Issue Price of ₹ 10 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/ Stock invest/ 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: "India Finsec Limited - Public Issue - R ".
 - In case of Non-Resident Retail Applicants applying on repatriation basis: "India Finsec 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 12 Working 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 RBI 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.

Other Instructions

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- a. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- b. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- c. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants and 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 10,000;
- ✓ Category not ticked;
- ✓ Multiple Applications as defined in this 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;
- ✓ 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;

Signing of Underwriting Agreement

Vide an Underwriting agreement dated March 20, 2013 this issue is 100% Underwritten.

Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC in terms of 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 and one widely circulated Hindi language national daily newspaper.

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 12 Working days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

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.

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 SCSBs. 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 Bankers 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

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

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, Applicant's Bank Account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

BASIS OF ALLOTMENT

Allotment will be made in consultation with BSE Limited (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 10,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 10,000 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 10,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 10,000 equity shares subject to a minimum allotment of 10,000 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 10,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this 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 (i) individual applicants other than retails individual investors and (ii) 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 (i) or (ii) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 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 BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to the Lead Manager and the Registrar to this 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 LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the Beneficiary's Identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for 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.

Payment of Refund

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) ***ECS (Electronic Clearing System)*** - Payment of refund would be done through ECS 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 Lacs, 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 in Despatch of Allotment Letters or Refund Orders

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 ECS, Direct Credit or RTGS, the refund instructions will be given to the clearing system within 12 working days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 12 working days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount 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 12 working days of closure of the issue.

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) working 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 12 (twelve) working 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) working days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 12 (twelve) working days time.

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.”***

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 12 (twelve) working days of closure of the Issue;
- 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 us;
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 (twelve) working 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 letter of allotment/ 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 Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.
- 7) That adequate arrangements shall be made till the securities offered through this Offer Document are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.;
- 8) That we 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.

Withdrawal of the Issue

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment.

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. The Stock Exchanges where the Equity Shares are proposed to be listed shall also be informed promptly.

If the Company withdraws the Issue after the Application Closing Date, the Company will be required to file a fresh Draft Offer Document with the Board.

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.

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 11, 2013, between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated February 06, 2013 between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an ISIN No. INE647N01013.

- ✓ 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 à 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 has 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 the 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.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by circular 1 of 2012, with effect from April 10, 2012 ("Circular 1 of 2012"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government proposes to update the consolidated circular on FDI Policy once every Year and therefore, Circular 1 of 2012 will be valid until the DIPP issues an updated circular. (It is expected on April 10, 2013 and effective from April 10, 2013).

FII's are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI. Further, in terms of the Consolidated FDI Policy, prior approval of the RBI shall not be required for transfer of shares between an Indian resident and person not resident in India if conditions specified in the Consolidated FDI Policy have been met. The transfer of shares of an Indian company by a person resident outside India to an Indian resident, where pricing guidelines specified by RBI under the foreign exchange regulations in India are not met, will not require approval of the RBI, provided that (i) the original and resultant investment is in line with Consolidated FDI policy and applicable foreign exchange regulations pertaining to inter alia sectoral caps and reporting requirements; (ii) the pricing is in compliance with applicable regulations or guidelines issued by SEBI; and (iii) a compliance certificate in this regard is obtained from chartered accountant and attached to the filings made before the authorised dealer bank.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

SHARE CAPITAL

3. The Authorised Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company. The minimum paid-up Capital of the Company is ₹ 5 Lacs (Five Lacs only).
4. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors, who may allot or otherwise dispose of the same to such persons, on such terms and conditions and at such time as they think fit and with full power to give any person the option to call of be allotted shares of the Company of any class, either at a premium or at par or at a discount and for such time and for such consideration as the Board of Directors think fit (subject to the provisions of Sections 78 and 79 of the Act), provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns as to allotment provided for in Section 75 of the Act.
5. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the register shall, for the purposes of these Articles, be a member.
6.
 - (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the company is being wound up be varied with the consent in writing of the holders of three fourths of the issued shares of that class or with a sanction of a resolution passed at a separate meeting of the holders of the shares of that class.
 - (2) Subject to the provisions of Section 170 (2) (a) and (b) of the Act, to every such separate meeting, the provisions of these regulations relating to meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be five persons at least holding or representing by proxy or one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
8.
 - (1) The company may exercise the powers of paying commissions conferred by Section 76 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Section.
 - (2) The rate of commission shall not exceed the rate of 5% (five percent) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 5% (five percent) of such price, as the case may be and in the case of debentures 2½% (two and a half per cent) of the price at which the debentures in respect whereof the same is paid are issued or an amount equal to 2½% (two and a half per cent) of such price, as the case may be.
 - (3) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
 - (4) The Company may also, on any issue of shares, pay such brokerage as may be lawful.

9. Subject to Section 187-C of the Act, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent future or partial interest in any share or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
10. (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within three months after allotment (or within such other period as the conditions of issue shall provide) or within one month after the application for the registration of transfer is received by the Company,
 - (a) one certificate for all his shares without payment, or
 - (b) several certificates, each for one or more of his shares, provided that any sub-division, consolidation or splitting of certificates required in marketable lots shall be done by the Company free of any charges.(2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.
(3) In respect of any 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 for a share to one of several joint holders shall be sufficient delivery to all such holders.
11. The Company agrees, that it will not charge any fees exceeding those which may be agreed upon with the Stock Exchange.
 - (i) for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed.
 - (ii) for sub-division and consolidation of shares and debenture certificates and for sub-division of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading.
12. The Company may issue such fractional certificates as the Board may approve in respect of any of the shares of the Company on such terms as the Board thinks fit as to the period within which the fractional certificates are to be converted into share certificates.
13. If any share stands in the names of two or more persons, the person first named in the register of members shall, as regards receipt of dividends, the service of notices and subject to the provisions of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.

LIEN

14. (1) The Company shall have a first and paramount lien upon every share (not being a fully paid up share), for all money (whether presently payable or not) called or payable at a fixed time in respect of that share. Unless otherwise agreed the registration of a transfer of a share shall operate as a waiver of the Company's lien if any, on such shares. The Board of Directors may at any time declare any shares to be wholly or in part to be exempt from the provisions of this article.
(2) The Company's lien, if any, on a share shall extend to all dividends payable thereon, subject to Section 205A of the Act.
15. The Company may sell, in such manner as the Board thinks fit, any share on which the Company has a lien 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 thirty days after a notice in writing demanding payment of such part of the amount, in respect of which the lien exists as is presently payable, have 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 and stating that amount so demanded if not paid within the period specified at the Registered Office of the Company, the said shares shall be sold.

16. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
(2) The purchaser shall be registered as the shareholder of the shares comprised in any such transfer.
(3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.
17. (1) The proceeds of the sale shall be received by the Company and applied in payment of the whole or a part of the amount in respect of which the lien exist as is presently payable.
(2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares at the date of sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

18. (1) The Board of Directors may, from time to time, make calls upon the members in respect of money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
(2) Each member shall, subject to receiving at least thirty days notice specifying the time or times and place of payment of the call money pay to the Company at the time or times and place so specified, the amount called on his shares.
(3) A call may be revoked or postponed at the discretion of the Board.
19. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed. Call money may be required to be paid by Instalments.
20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
21. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate of interest as the Board may determine.
(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.
22. (1) Any sum which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
(2) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
23. Subject to the provisions of Section 92 and 292 of the Act, the Board:-
 - (a) may, if it thinks fit, receive from any member willing to advance all or any part of the money uncalled and unpaid upon any shares held by him; and
 - (b) if it thinks fit, may pay interest upon all or any of the moneys advanced on uncalled and unpaid shares (until the same would but for such advance become presently payable) at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 9% (nine percent) per annum as may be agreed upon between the Board and the members paying the sums or advances, Money so paid in advance shall not confer a right to dividend or to participate in profits.
24. On the trial or hearing of any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it

shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of members of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, nor that a quorum of Directors was present at the Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

25. 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, nor any indulgence granted by the Company in respect of the payment of any such money, shall, preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

TRANSFER AND TRANSMISSION OF SHARES

26. The Company shall keep a "Register of Transfers", and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share.
27. (1) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and the transferee.
(2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
(3) The instrument of transfer of any Share shall be in the prescribed form under the Companies (Central Governments) General Rules and Forms, 1956 and in accordance with the requirements of Section 108 of the Act.
28. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act, 1956 and of any modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.
29. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgment due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.

TRANSFER OF SHARES

30. The Board of Directors may, subject to the right of appeal conferred by Section 111 of the Companies Act, 1956, decline to register:-
- (a) the transfer of a share not being a fully paid up share, to a person of whom they do not approve; or
 - (b) any transfer of the share on which the Company has a lien, provided that the registration of transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account except a lien.
 - (c) Notice of refusal to transfer shares to transferor or transferee shall be sent within 30 days.
31. The Board may also decline to recognise any instrument of transfer unless -

- (a) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (b) the instrument is in respect of only one class of shares.
32. All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.
33. (1) the registration of transfers may be suspended at such times and for such periods as the Board may, from time to time, determine:
provided that such registration shall not be suspended for more than forty-five days in the aggregate in any year or for more than thirty days at any one time.
- (2) There shall be no charge for:
- (a) registration of shares or debentures;
 - (b) sub-division and/or consolidation of shares and debenture certificates and sub-division of Letters of Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit of trading;
 - (c) sub-division of renounceable Letters of Right;
 - (d) issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised;
 - (e) registration of any Powers of Attorney, Letter of Administration and similar other documents.

TRANSMISSION OF SHARES

34. (1) On the death of a member, the survivor or survivors where the member was a joint holder and his legal representative where he was a sole holder shall be the only person recognised by the Company as having any title to his interest in the shares.
- (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
35. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided elect, either -
- (a) to be registered himself as holder of the share; or
 - (b) to make such transfer of the shares as the deceased or insolvent member could have made.
- (2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had himself transferred the share before his death or insolvency.
36. (1) If the person so becoming entitled, shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.
37. On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he was the registered holder of the share and that he shall not, before being

registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company;

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

38. Where the Company has knowledge through any of its principal officers within the meaning of Section 2 of the Estate Duty Act, 1953 of the death of any member or of debenture holder in the Company, it shall furnish to the Controller within the meaning of such section, the prescribed particulars in accordance with that Act and the rules made there under and it shall not be lawful for the Company to register the transfer of any shares or debentures standing in the name of the deceased, unless the transferor has acquired such shares for valuable consideration or a certificate from the Controller is produced before the Company to the effect that the Estate Duty in respect of such shares or debentures has been paid or will be paid or that none is due, as the case may be.
39. The Company shall incur liability whatever in consequence of its registering or giving effect, to any transfer of share 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 or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

FORFEITURE OF SHARES

40. If a member fails to pay any call or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
41. The notice aforesaid shall:-
- (a) name a further day (not earlier than the expiry of 30 (thirty) days from the date of service of notice) on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made, will be liable to be forfeited.
42. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.
43. (1) A forfeited share may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit.
- (2) At any time before a sale or disposal, as aforesaid, the Board may annul the forfeiture on such terms as it thinks fit.

44. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at date of forfeiture, were presently payable by him to the Company in respect of the shares together with interest thereon from the time of forfeiture until payment at the rate of 9% (nine) percent per annum.
(2) The liability of such person shall cease if and when the Company shall have received payments in full of all such money in respect of the shares.
45. (1) A duly verified declaration in writing that the declarant is a director or the secretary of the Company and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts stated therein stated as against all persons claiming to be entitled to the share.
(2) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off.
(3) The transferee shall thereupon be registered as the holder of the share.
(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
46. The provisions of these regulations 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 the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
47. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those rights as by these Articles are expressly saved.
48. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of 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 in respect of the shares sold and the purchaser 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 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.
49. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any shares, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.
50. The directors may, subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

CONVERSION OF SHARES INTO STOCK

51. The Company may, by an ordinary resolution:-
- (a) convert any paid-up shares into stock; and
 - (b) reconvert any stock into paid-up shares of any denomination authorised by these regulations.
52. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit:
Provided the Board may, from time to time, fix the minimum amount of Stock transferrable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
53. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regard dividends voting and meeting of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
54. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.

SHARE WARRANTS

55. The Company may issue share warrant, subject to and in accordance with, the 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 up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application and 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.
56. (1) 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 calling 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 shares included in the deposited warrant.
- (2) Not more than one person shall be recognised as depositor of the share warrant.
 - (3) The company shall, on two days written notice, return the deposited share warrant to the depositor.
57. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling meeting of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company or be entitled to receive any notice from the Company.
- (2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the register of member as the holder of the shares included in the warrant and he shall be deemed to be a member of the Company in respect thereof.
58. The Board may, from time to time, make rules as to the 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 of the original.

ALTERATION OF CAPITAL

59. The Company may, from time to time, by ordinary resolution increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall specify.
60. The Company may, by ordinary resolution in general meeting:
- (a) consolidate and divide all or any of its capital into shares of larger amounts than its existing shares;
 - (b) sub-divide its shares or any of them, into shares of smaller amounts than is fixed by the Memorandum of Association, so however, than in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (c) cancel any share which, at the date of the passing of the resolution in that behalf, 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.
61. The Company may, from time to time, by special resolution and on compliance with the provisions of Section 100 to 105 of the Act, reduce its share capital and any capital reserve fund or share premium account.
62. The Company shall have power to establish Branch Offices, subject to the provisions of Section 8 of the Act or any statutory modifications thereof.
63. The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provisions of any plant for the Company in accordance with the provisions of Section 208 of the Act.
64. The Company, if authorised by a special resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, or body corporate, subject however, to the provisions of Section 391 to 394 of the Act.

GENERAL MEETINGS

65. All General Meetings other than the Annual General Meetings of the Company shall be called Extraordinary General Meetings.
66. (1) The Board may, whenever it thinks fit call an Extra-ordinary General Meeting.
- (2) If at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum, any Director or any two members of the Company may call an extraordinary general meeting in the same manners, as nearly as possible, to that in which such a meeting may be called by the Board.

CONDUCT OF GENERAL MEETINGS

67. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called.
68. (1) No business shall be transacted at any General Meeting, unless a quorum of members is present at the time when the meeting proceed to business.
- (2) Save as otherwise provided in Section 174 of the Act, a minimum of five members present in person shall be a quorum. 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.

CONDUCT OF MEETINGS

69. The Chairman, if any, of the Board shall preside as Chairman at every general meeting of the Company.
70. If there is no such Chairman or if he is not present within fifteen minutes of the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their members to be the Chairman of the meeting.
71. If at any meeting no Director is willing to act as Chairman or if no Director is present within 15 (fifteen) minutes of the time appointed for holding the meeting, the members present shall choose one of their members to be the Chairman of the meeting.
72. No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.
73. (1) The Chairman may with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting, from time to time and place to place.
(2) No business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place.
(3) When a meeting is adjourned for thirty days or more, fresh notice of the adjourned meeting shall be given as in the case of an original meeting.
(4) Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.
74. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes places or at which the poll is demanded, shall be entitled to a second or casting vote.
75. Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.

VOTES OF MEMBERS

76. Subject to any rights or restrictions for the time being attached to any class or classes of shares:-
(a) on a show of hands, every member present in person shall have one vote; and
(b) on a poll, the voting rights of members shall be as laid down in Section 87 of the Act.
77. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of joint holders stand in the Register of members.
78. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the office not less than 24 hours before the time of holding the meeting or adjourned meeting at which such person claims to vote on poll.
79. No member shall be entitled to vote at any general meeting unless all calls, and other sums presently payable by him in respect of shares in the Company or in respect of shares on which the Company has exercised any right of lien, have been paid.

80. (1) No objection shall be raised to the qualification of any voter, except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.
- (2) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision thereon shall be final and conclusive.
81. The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated valid.
82. An instrument appointing a proxy shall be in either of the forms in Schedule IX to the Act or in a form as near thereto as circumstances admit.
83. 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 the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given, if no intimation in writing of such death; insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

84. The number of Directors of the Company shall not be less than three and not more than twelve.
85. The following shall be the first directors of the Company:
- | | |
|-----------------------|---------------------------|
| 1. Shri Bhushan Kumar | 2. Shri Manoj Kumar Dixit |
|-----------------------|---------------------------|
86. At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 255 of the Act or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office in accordance with the provisions of Section 256 of the Act.
87. (1) Subject to the provisions of the Companies Act, 1956 and Rules made thereunder, each Director including a Managing Director shall be paid sitting fees for each meeting of the Board or a committee thereof, attended by him a sum not exceeding ₹ 1000/- (Rupees One thousand).
- (2) Subject to the provisions of Section 309, 310 and 314 of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination, shall be divided among the Directors equally or if so determined paid on a monthly basis.
- (3) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.
- (4) Subject to the provisions of Sections 198, 309, 310 and 314 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit or otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (such as rent free house, free medical aid and free conveyance) as the Board may determine from time to time.

- (5) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with Company's rules to be made by the Board all travelling, hotel and other expenses properly incurred by them:-
- (a) In attending and returning from meetings or adjourned meeting of the Board of Directors or any committee thereof; or
 - (b) In connection with the business of the Company.
88. The Directors shall not be required to hold any qualification shares in the company.
89. The Board of Directors shall have power to appoint additional Directors in accordance with the provisions of Section 260 of the Act.
90. If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures, the persons having such power may exercise such power, from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be liable to retire by rotation, but he, shall be counted in determining the number of retiring Directors.
91. In the course of its business and for its benefit the Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, corporation, government, financing institution or other authority that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Special Directors. Special Directors shall be entitled to hold office until requested to retire by the government, authority, person, firm, institution or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Special Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation who appointed such Special Director may if the agreement so provide, appoint another Director in his place. But he shall be counted in determining the number of retiring Directors.
92. Subject to the provisions of Section 313 of the Act, the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held.
93. 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 benefits received as director or shareholder of such company. Such Director before receiving or enjoying such benefits in cases in which the provisions of Section 314 of the Act are attracted will ensure that the same have been complied with.
94. Every nomination, appointment or removal of a Special Director shall be in writing and accordance with the rules and regulations of the government, corporation or any other institution. A Special Director shall be entitled to the same rights and privileges and be subject to same obligations as any other Director of the Company.
95. The office of a Director shall become vacant:-
- (i) on the happening of any of the events provided for in Section 283 of the Act;
 - (ii) on contravention of the provisions of Section 314 of the Act, or any statutory modifications thereof;
 - (iii) if a person is a Director of more than twenty Companies at a time;

- (iv) in the case of alternate Director on return of the original Director to the State, in terms of Section 313 of the Act; or
- (v) on resignation of his office by notice in writing and is accepted by the Board.

96. Every Director present at any meeting of the Board or a committee thereof shall sign his name in a book to be kept for that purpose, to show his attendance thereat.

POWERS OF BOARD OF DIRECTORS

- 97. The Board of Directors may pay all expenses incurred in the formation, promotion and registration of the Company.
- 98. The Company may exercise the powers conferred by Section 50 of the Act, with regard to having an official seal for use abroad and such powers shall be vested in the Board.
- 99. The Company may exercise the powers conferred on it by Section 157 and 158 of the Act with regard to the keeping of a foreign register; and the Board may (subject the provisions of those Sections) make and vary such regulations as it may think fit with respect to the keeping of any such register.
- 100. The Directors may enter into contracts or arrangements on behalf of the Company subject to the necessary disclosures required by the Act, being made wherever any Director is in any way, whether directly or indirectly concerned or interested in the contract or arrangement.

BORROWING POWER

- 101. Subject to the provisions of sections 58A, 292 and 293 of the Act, and Regulations made thereunder and directions issued by the R. B. I., the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property (both present and future) and uncalled capital, or any part thereof and to issue debentures, debenture-stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- 102. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by circulation) by the issue of debenture or debenture-stock of the Company, charged upon all or any of the property of the Company (both present and future), including its uncalled capital for the time being.
- 103. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, may be made assignable free from any equities between the Company and person to whom the same may be issued and may be issued on the condition that they shall be convertible into shares of any authorised denomination, and with privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise, provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General meeting.
- 104. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person and in such manner as the Board may, from time to time, by resolution determine.

PROCEEDINGS OF THE BOARD

105. 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 (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 exceeds or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors, who are not interested, present at the meeting, being not less than two, shall be the quorum during such time.
106. If a meeting of the Board could not be held for want of quorum, whatever number of Directors, not being less than two, shall be present at the adjourned meeting, notice whereof shall be given to all the Directors, shall form a quorum.
107. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of vote.
(2) In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
108. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company, but for no other purpose.
109. (1) Save as provided in Article 93, the Board may elect one of its members as Chairman of its meetings and determine the period for which he is to hold office as such.
(2) If no such Chairman is elected or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting the Directors present may choose one of their members to be Chairman of the meeting.
110. Subject to the restrictions contained in Section 292 and 293 of the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it thinks fit and it may, from time to time, revoke such delegation and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
111. 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.
112. (1) A committee may elect a Chairman of its meetings.
(2) If no such chairman is elected or if at any meeting the chairman is not present within five minutes of the time appointed for holding the meeting, the members present may choose one of their members to be chairman of the meeting.
113. (1) A committee may meet and adjourn as it thinks proper.
(2) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes, the Chairman shall have a second or casting vote.
114. All acts done by any meeting of the Board or by a committee thereof by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment

or continuance in office of any such Director or persons acting as aforesaid: or that they or any of them were disqualified or had vacated office or were not entitled to act as such, or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, had duly continued in office, was qualified, had continued to be a Director, his appointment had not been terminated and he had been entitled to be a Director provided that nothing in this Article shall be deemed to give validity to any act done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

115. Subject to Section 289 of the Act and except a resolution which the Act requires specifically to be passed in any board meeting, a resolution in writing, signed by the majority members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be as valid as a resolution passed at a meeting of the Board or committee, duly convened and held.

MANAGING DIRECTOR(S) AND WHOLE TIME DIRECTOR(S)

116. Subject to provisions of Sections 197A, 269, 198 and 309 of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Director/s or whole time Director/s for a period not exceeding 5(five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment, and in making such appointments the Board shall ensure compliance with the requirements of the Companies Act, 1956 and shall seek and obtain such approvals as are prescribed by the Act, provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation, but his appointment shall be automatically determined if he ceases to be a Director. However, he shall be counted in determining the number of retiring Directors.
117. The Board may entrust and confer upon Managing Director/s or Whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board, may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

SECRETARY

118. (1) Subject to Section 383A of the Act, a Secretary of the Company may be appointed by the Board on such terms, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.
(2) A Director may be appointed as a Secretary.
119. Any provision in the Act or these regulations requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of the Secretary.

THE SEAL

120. (1) The Board shall provide a common seal for the purposes of the Company and shall have power, from time to time, to vary or cancel the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal for the time being.
(2) Subject to any statutory requirements as to Share Certificates or otherwise, the seal of the Company shall not be affixed to any instrument except by authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one Director and of the Secretary or of two Directors who shall sign every instrument to which the seal of

the Company is so affixed in their presence. This is, however, subject to Rule 6 of the Companies (Issue of Share Certificates) Rules, 1960.

- (3) The Board shall also be at liberty to have an official seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India. The Company shall, however, comply with Rule 6 of the Companies (Issue of Share Certificates) Rules, 1960.

DIVIDENDS AND RESERVES

121. The Company in General meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

122. The Board may, from time to time, pay to the members such interim dividends as appear it to be justified by the profits earned by the Company.

123. (1) The Board may, before recommending any dividend, set aside out of the profits of the Company, such sums, as it may think proper, as reserve or reserves which shall at the discretion of the Board, be applicable for any of the purposes to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such applications 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 Board may, from time to time, think fit.

- (2) The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.

124. (1) Subject to the rights of the persons, if any, holding 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.

- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as having been paid on the share.

- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

125. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company, subject to Section 205A of the Act.

126. (1) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post direct to the registered address of the holder 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 first named holder or joint holders may in writing direct.

- (2) Every such cheque or warrant shall be made payable to the order of the person, to whom it is sent.

127. Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonus or other moneys payable in respect of such share.

128. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

129. No dividend shall bear interest against the Company, irrespective of the reason for which it has remained unpaid. No unclaimed dividends shall be forfeited by the Board and the Company shall comply with the provisions of Section 205(A) of the Companies Act, in respect of such shares.

ACCOUNTS

130. (1) The Board shall cause proper books of accounts to be maintained under Section 209 of the Act.
(2) The Board shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company or any of them, shall be open to the inspection of members not being Directors.
(3) Subject to provisions of Section 209A of the Act, no member (not being a Director) shall have any right of inspection any account or book or document of the Company, except as conferred by law or authorised by the Board or by the Company in General Meeting.

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

131. Balance Sheet and Profit and Loss Account of the Company will be audited once in a year by a qualified auditor for Correctness as per provisions of the Act.

AUDIT

132. (1) The first auditor of the Company shall be appointed by the Board of Directors within one month after its incorporation who shall hold office till the conclusion of First Annual General Meeting.
(2) The Board of Directors may fill up any Casual Vacancy in the office of the Auditors.
(3) The remuneration of the auditors shall be fixed by the Company in the annual general meeting except that remuneration of the first or any auditors appointed by the directors may be fixed by the directors.

CAPITALISATION OF PROFITS

133. (1) The Company in General Meeting may, upon the recommendation of the Board resolve:-
(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Profit and Loss Account, or otherwise available for distribution; and
(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) among the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
(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:-
(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid: or
(iii) Partly in the way specified in sub-clause (i) and partly in that is specified in sub-clause (ii).
(3) Any share premium account and any capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares.
(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
134. (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 allotment and issue of fully paid shares, if any; and
(b) 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 certificates or by payment in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions; and also
 - (b) to authorise any person to enter, on behalf of all the members entitled into an agreement with the Company providing for the allotment to him respectively, credited as fully paid up, of any further shares to which that may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profit resolved to be capitalised, of the amounts or any part 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.

SECRECY

135. Subject to the provisions of law of land and the Act, no member or other person (not being a Director) shall be entitled to visit or inspect the Company's works without the permission of the Board of Directors or the Managing Director to require discovery of any information respecting any details of the Company's business, trading or customers of any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or any other matter which may relate to the conduct of the business of the Company or which in the opinion of the Directors, it will be inexpedient in the interest of the Company to disclose.

WINDING UP

136. (1) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (2) For the purpose aforesaid, the liquidator may set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

137. Subject to the provisions of Section 201 of the Act, every Director, auditor, secretary and other officer or servant of the Company (all of whom are hereinafter referred to as officer or servant) shall be indemnified by the Company and it shall be the duty of the Directors out of the funds of the Company to pay, all bonafide costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done or omitted by him as such officer or servant or in any way in the discharge of his duties; and in particular and so as not to limit the generality of the foregoing provisions, against any liability incurred by such officer or servant in defending any bonafide proceedings whether civil or criminal in which a judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court. The amount for which such indemnity is provided shall immediately attach as a charge on the property of the Company.

STOCK EXCHANGE

138. Till such time as the company remains a member of any recognised Stock Exchange in India, the Board as well as all the members of the company shall take such steps as are necessary to alter, amend or adopt such provisions in the Memorandum and Articles of Association of the company as may be required by

such Exchange and any alteration or amendment of the Memorandum of Association and the Articles of Association of the company will be subject to the prior approval of the Stock exchange in writing and shall be in compliance with any rules or conditions that may be prescribed by the Stock Exchange in this behalf from time to time.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Prospectus) which are or may be deemed material have been attached to the copy of the Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

A. Material Contracts

1. Memorandum of Understanding dated March 15, 2013 between our Company and the LM.
2. Memorandum of Understanding dated February 19, 2013 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated May 08, 2013 between our Company, the LM, Escrow Collection Bank(s), Refund bank and the Registrar to the Issue.
4. Market Making Agreement dated March 20, 2013 between our Company, the LM and the Market Maker.
5. Underwriting Agreement dated March 20, 2013 between our Company and the LM and the Market Maker.
6. Tripartite agreement between the NSDL, our Company and the Registrar dated March 11, 2013.
7. Tripartite agreement between the CDSL, our Company and the Registrar dated February 06, 2013.

Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Original Certificate of Incorporation.
3. Fresh Certificate of Incorporation consequent to change in name of Company from Dynasore Leasing and Holdings Private Limited to India Finsec Private Limited.
4. Fresh Certificate of Incorporation consequent to change of name on conversion of Company from private to public limited company.
5. Resolution of the Board of Directors meeting dated January 10, 2013, authorising the Issue.
6. Shareholders' resolution passed at the Extra Ordinary General Meeting dated February 05, 2013, authorising the Issue.
7. Consent from the Auditors for inclusion of their reports on the restated accounts in this Prospectus.
8. Auditor's report for Restated Financials dated March 21, 2013 included in this Prospectus.

9. The Statement of Tax Benefits dated March 21, 2013 from our Statutory Auditors.
10. Copy of certificate dated April 30, 2013 issued by M/s. Ajay Aaditya & Co. detailing the Funds Deployed as on April 30, 2013.
11. Consent of our Directors, Company Secretary and Compliance Officer, LM, Legal Advisor to the Issue, Registrar to the Issue, Bankers to our Company, Market Maker, Underwriters, Escrow Collection Bank(s) and Refund Bank as referred to in their specific capacities.
12. Sale Agreement to purchase office premises dated March 14, 2013 entered into between our company and the sellers (promoter group members) – Sunita Bansal & Gopal Bansal (Karta of Gopal Bansal HUF).
13. Due Diligence Certificate(s) dated May 08, 2013 of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.
14. Approval from BSE vide letter dated April 30, 2013 to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of the BSE.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

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 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 Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Mr. Gopal Bansal

(Chairman & Managing Director)

Mr. Mukesh Sharma

(Whole-time Director)

Mr. Basant Mittal

(Non-Executive Independent Director)

Ms. Charu Goyal

(Non-Executive Independent Director)

Mr. Anoop Kumar Mangal

(Senior Manager Accounts & Finance)

Ms. Rachna Bhasin

(Company Secretary & Compliance Officer)

Date: May 13, 2013

Place: New Delhi