



NAYSAA SECURITIES LIMITED

Our Company was originally incorporated at Mumbai as “Naysaa Securities Private Limited” on 19th October, 2007 under the provisions of the Companies Act, 1956. Our Company was converted in to a Public Limited Company and consequently the name was changed to “Naysaa Securities Limited” vide fresh certificate of incorporation dated 5th February, 2014 issued by the Registrar of Companies, Mumbai, Maharashtra. For further details in relation to the changes to the name of our Company, please refer to the section titled “Our History and Corporate Structure” beginning on page 72 of this Prospectus.

Registered Office & Corporate Office: 102/104, Shivam Chambers, S.V. Road,
Goregaon (W), Mumbai - 400062;
Tel: +91-22-26760404; Fax: +91-22-26760202
Email: naysaa@naysaasecurities.com; Website: www. naysaasecurities.com

Contact Person & Compliance Officer: Ms. Nish A Baig, Company Secretary & Compliance Officer;

PROMOTERS OF THE COMPANY: MR. JAYANTILAL HANSRAJ LODHA & MR. VIKRAM JAYANTILAL LODHA

PUBLIC ISSUE OF 10,00,000 EQUITY SHARES OF RS. 10/- EACH (“EQUITY SHARES”) OF NAYSAA SECURITIES LIMITED (“NSL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 15/- PER SHARE (THE “ISSUE PRICE”), AGGREGATING TO RS. 150.00 LACS (“THE ISSUE”), OF WHICH, 56,000 EQUITY SHARES OF RS. 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 9,44,000 EQUITY SHARES OF RS. 10 EACH IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.76% AND 27.15%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THIS ISSUE IS BEING IN TERMS OF CHAPTER X-B OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.

For Further Details See “Issue Related Information” Beginning On Page 125 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” on page 131 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.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE IS 1.50 TIMES OF THE FACE VALUE.

RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first issue of our Company, there has been no formal market for the securities of the company. The face value of the Equity Shares is Rs. 10/ and the issue price is at 1.50 times of face value. The issue price (as determined by our Company in consultation with the Lead Manager and as stated in the chapter titled on “Basis For Issue Price” beginning on page 48 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 shares of the company or regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the BSE SME Platform nor does BSE SME Platform guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 9 of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus 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 Prospectus are proposed to be listed on the BSE SME Platform 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 8th August, 2014 from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited (“BSE”).

LEAD MANAGER



GUINNESS CORPORATE ADVISORS PVT. LTD. ·
Guinness House,
18, Deshapriya Park Road,
Kolkata-700 026
Tel : +91-33-3001 5555
Fax: +91-33-3001 5531
Email: gmbpl@guinnessonline.net
Website: www.16anna.com
Contact Person: Ms. Alka Mishra
SEBI Regn. No: INM 000011930

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED
E/2, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E), Mumbai - 400 072.
Tel: +91 022 4043 0200
Fax: +91 022 2847 5207
Website: www.bigshareonline.com
E-mail: ipo@bigshareonline.com
Contact person: Mr. Ashok Shetty
SEBI Registration No: INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON: 5TH SEPTEMBER, 2014

ISSUE CLOSES ON: 12TH SEPTEMBER, 2014



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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

TERMS	DESCRIPTION
"our Company", "the Company", "NSL", "Naysaa" "we", "us" or "the Issuer"	Naysaa Securities Limited, a Public Limited Company incorporated under the Companies Act, 1956

CONVENTIONAL/GENERAL TERMS

TERMS	DESCRIPTION
AOA/Articles/ Articles of Association	Articles of Association of Naysaa Securities Limited
Banker to the Issue	HDFC Bank Limited
Board of Directors / Board/Director(s)	The Board of Directors of Naysaa Securities Limited
BSE	BSE Limited (the Designated Stock Exchange)
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and / or Provisions of the Companies Act, 1956 w.r.t. to the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Depositories Act	The Depositories Act, 1996 as amended from time to time
CIN	Company Identification Number
DIN	Directors Identification Number
Depositories	NSDL and CDSL
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time.
Director(s)	Director(s) of Naysaa Securities Limited, unless otherwise specified
Equity Shares / Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
EPS	Earnings Per Share
GIR Number	General Index Registry Number
Gol/ Government	Government of India
Statutory Auditor / Auditor	M/s Dimple N Punmiya, Chartered Accountants, the Statutory Auditors of our Company.
Peer Review Auditors	Ramanand & Associates, Chartered Accountants, the Peer Review Auditors of our Company.
Promoters	Promoters of the Company being Mr. Jayantilal Hansraj Lodha & Mr. Vikram Jayantilal Lodha.
Promoter Group Companies /Group Companies / Group Enterprises	Unless the context otherwise specifies, refers to those entities mentioned in the section titled "Our Promoter Group / Group Companies / Entities" on page 86 of this Prospectus.
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Key Managerial Personnel / Key Managerial Employees	The officers vested with executive powers and the officers at the level immediately below the Board of Directors as described in the section titled "Our Management" on page 81 of this Prospectus.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Naysaa Securities Limited



TERMS	DESCRIPTION
Non Resident	A person resident outside India, as defined under FEMA
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Registered office of our Company	102/104, Shivam Chambers, S.V. Road, Goregaon (W), Mumbai - 400062
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME Platform of BSE/Stock Exchange	The SME platform of BSE for listing of Equity Shares offered under Chapter X-B of the SEBI (ICDR) Regulations
SWOT	Analysis of strengths, weaknesses, opportunities and threats
RoC	Registrar of Companies, Mumbai, Maharashtra

ISSUE RELATED TERMS

TERMS	DESCRIPTION
Allotment/Allot	Issue of Equity Shares pursuant to the Issue to the successful applicants as the context requires.
Allottee	The successful applicant to whom the Equity Shares are being / have been issued
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)	Means an application for subscribing to an issue containing an authorization to block the application money in a bank account
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the appropriate application Amount of the ASBA applicant, as specified in the ASBA Application Form
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 Location(s)/Specified Cities	Location(s) at which ASBA Application can be uploaded by the Brokers, namely Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat
ASBA Public Issue Account	An Account of the Company under Section 40 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Investors
Basis of Allotment	The basis on which Equity Shares will be allotted to the Investors under the Issue and which is described in "Issue Procedure-Basis of Allotment" on page 137 of the Prospectus



TERMS	DESCRIPTION
Designated Market Maker	Alacrity Securities Limited
Eligible NRI	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
Issue/Issue size/ initial public issue/Initial Public Offer/Initial Public Offering	Public Issue of 10,00,000 Equity Shares of Rs. 10/- each ("Equity Shares") of Naysaa Securities Limited ("NSL" or the "Company" or the "Issuer") for cash at a price of Rs. 15/- per share (the "Issue Price"), aggregating to Rs. 150.00 Lacs ("the Issue")
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
Lead Manager/LM	Lead Manager to the Issue being Guinness Corporate Advisors Private Limited
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 56,000 Equity Shares of Rs. 10/- each at Rs. 15/- per Equity Share aggregating to Rs. 8.40 Lacs for Designated Market Maker in the Initial Public Issue of Naysaa Securities Limited
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 9,44,000 Equity Shares of Rs.10/- each at Rs. 15/- per Equity Share aggregating to Rs. 141.60 Lacs by Naysaa Securities Limited
Business Day	Any day on which commercial banks in Mumbai are open for the business
GCAPL	Guinness Corporate Advisors Private Limited
Depository Act	The Depositories Act, 1996
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant	A Depository Participant as defined under the Depositories Act, 1956
Designated Market Maker	Alacrity Securities Limited
Escrow Account	Account opened/to be opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement entered / to be entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof
Collecting Bankers / Bankers to the Issue / Escrow Collection Bank (s)	HDFC Bank Limited
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Bankers to the Issue at which bank the Escrow Account of our Company, will be opened
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs. 15/-
Mutual Funds	A Mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996
Memorandum of Understanding	The arrangement entered into on 23 rd June, 2014 between our Company, and Lead Manager pursuant to which certain arrangements are agreed in relation to the Issue
Non - resident	A person resident outside India, as defined under FEMA including eligible NRIs and FIIs
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Issue Account / 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 Institutional Buyers or QIBs	The term "Qualified Institutional Buyers" or "QIBs" shall have the meaning ascribed to such term under the SEBI ICDR Regulations and shall mean and include (i) a Mutual Fund, VCF and FVCI registered with SEBI; (ii) an FII and sub-account (other than a



TERMS	DESCRIPTION
	sub-account which is a foreign corporate or foreign individual), registered with SEBI; (iii) a public financial institution as defined in Section 4A of the Companies Act; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of Rs. 250 million; (ix) a pension fund with minimum corpus of Rs. 250 million; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; and (xii) insurance funds set up and managed by the Department of Posts, India eligible for applying in this Issue.
Registrar/Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited, E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400 072
Retail Individual Investor(s)	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000
Refund Account	The account opened / to be opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of application Amount (excluding to the ASBA Applicants) shall be made.
Refund bank	HDFC Bank Limited
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, RTGS or the ASBA process, as applicable
Self-Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on www.sebi.gov.in/pmd/scsb.pdf or at such other website as may be prescribed by SEBI from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulation/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
Underwriters	Guinness Corporate Advisors Private Limited
Underwriting Agreement	The Agreement among the Underwriters and our Company
Working Days	All days on which banks in Mumbai are open for business except Sunday and public holiday, provided however during the Application period a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday
Market Maker	A market maker is a company, or an individual, that quotes both a buy and a sell price in a financial instrument or commodity held in inventory, hoping to make a profit on the bid-offer spread, or turn. Market makers are net sellers of an option to be adversely selected at a premium proportional to the trading range at which they are willing to provide liquidity.

COMPANY/INDUSTRY RELATED TERMS/TECHNICAL TERMS

TERM	DESCRIPTION
NSL	Naysaa Securities Limited
BSE	Bombay Stock Exchange / BSE Limited
CDSL	Central Depository Services(India) Limited
DP	Depository Participant
ESPS	Employee Stock Purchase Scheme
ESOP	Employee Stock Option Plan
ESOS	Employees' Stock Option Scheme
F&O	Future & Option



TERM	DESCRIPTION
FII	Foreign Institutional Investor
FPO	Follow on Public Offer
FT	Financial Technologies
FY	Financial Year
GDP	Gross Domestic Production
HNI	High Net worth Individual
HUF	Hindu Undivided Family
II	Institutional Investors
IP	Intellectual Property
IPO	Initial Public Offer
IS	Information System
IT	Information Technology
KMP	Key Managerial Personnel
LAN	Local Area Network
M&A	Merger & Acquisition
Net worth	The paid-up share capital of the Company plus free reserves less any miscellaneous expenditure, if any.
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
RBI	Reserve Bank of India
SEBI	Security Exchange Board of India
SENSEX	Share Sensitivity Index
STT	Security Transaction Tax
USE	United Stock Exchange of India Ltd

ABBREVIATIONS

ABBREVIATION	FULL FORM
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
A.Y.	Assessment Year
B.A	Bachelor of Arts
B.Com	Bachelor of Commerce
B.Sc.	Bachelor of Science
BG/LC	Bank Guarantee / Letter of Credit
CAGR	Compounded Annual Growth Rate
C. A.	Chartered Accountant
CAIIB	Certified Associate of the Indian Institute of Bankers
CC	Cubic Centimeter
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
C.S.	Company Secretary
DP	Depository Participant
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
ESOP	Employee Stock Option Plan
EMD	Earnest Money Deposit
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued there under.
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable



ABBREVIATION	FULL FORM
	laws in India.
FIs	Financial Institutions.
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India
FY / Fiscal	Financial Year
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gol/ Government	Government of India
HUF	Hindu Undivided Family
HSC	Higher Secondary Certificate
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
SME	Small And Medium Enterprises
SSC	Secondary School Certificate
M. Com.	Master of Commerce
NAV	Net Asset Value
No.	Number
NR	Non Resident
NSDL	National Securities Depository Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC/Registrar of Companies	The Registrar of Companies, Mumbai, Maharashtra
RONW	Return on Net Worth
USD/ \$/ US\$	The United States Dollar, the legal currency of the United States of America



PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

FINANCIAL DATA

Unless stated otherwise, the financial data in this Prospectus is extracted from the financial statements of our Company for the fiscal years 2014, 2013, 2012, 2011, 2010 and the restated financial statements of our Company for Fiscal Years 2014, 2013, 2012, 2011, 2010 prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Auditors and the SEBI Regulations and set out in the section titled – Financial Information on page 91. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI Regulations. Our fiscal years commence on April 1 and end on March 31. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, US GAAP and IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this 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.

CURRENCY OF PRESENTATION

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S.\$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America. This Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all.

In this Prospectus, throughout all figures have been expressed in Lacs, except as otherwise stated. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One Hundred Thousand".

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Prospectus, unless otherwise indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.

INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Prospectus has been obtained from Internal Company Reports and Industry Publications and the Information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

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

For additional definitions, please refer the section titled "Definitions and Abbreviations" on page 1 of this Prospectus.



FORWARD LOOKING STATEMENTS

Our Company has included statements in this Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others general economic conditions, political conditions, conditions in the finance & investment sector, fuel prices, inclement weather, interest rates, inflation etc. and business conditions in India and other countries.

- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Our exposure to market risks that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and Globally.
- Changes in foreign exchange rates or other rates or prices;
- Our failure to keep pace with rapid changes in finance and stock broking sector;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Changes in political condition in India.
- Government approvals;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our dependence on our Key Management Personnel and Promoter;
- Conflicts of Interest with Affiliated Companies, the Group Entities and Other Related Parties;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors" on page 9 of this Prospectus. 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. Our Company, the Lead Manager, and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.



SECTION II

RISK FACTORS

An Investment in equity involves higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Prospectus before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment.

Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Prospectus, including the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Financial Information" included in this Prospectus beginning on pages 62, 106 & 91 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.

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 implications of any of the risks mentioned herein.

INTERNAL RISK FACTORS

1. Our operations are significantly concentrated in Mumbai Suburbs and failure to expand our operations may restrict our growth and adversely affect our business.

We are operating from Mumbai and do not have any other branches either in Mumbai or at any other places in India. As on the date of this Prospectus, our operations are mainly focused in the western suburbs of Mumbai. We believe that future growth in business and revenues will be achieved only through a pan-India footprint.

2. We have incurred losses in F.Y.2011-12.

We have incurred losses of Rs. 0.17 Lacs in F.Y. 2011-12 as per our restated financial statements. We cannot guarantee that we will not make losses in the future.

3. One of our Group Companies have posted negative profits in last three (3) financial years.

One of our Promoter Group Company Vikram Shares & Stock Broking Private Limited incurred losses in the last three financial year. The details of profit/loss are as under:

(Rs. in Lacs)

Particulars	31 Mar- 13	31 Mar- 12	31-Mar-11
Profit/(Loss) after Tax	(10.11)	(5.42)	0.09

4. We have reported negative cash flows.

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Net Cash Flow from Operating Activities	(62.58)	(85.55)	45.22	(24.15)	105.16
Net Cash Flow from Investing Activities	(0.20)	-	(0.66)	(1.73)	(0.01)
Net Cash Flow from Financing Activities	173.75	82.66	(47.00)	33.18	(105.17)



Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Net Increase / (Decrease) in Cash & Cash Equivalents	110.97	(2.89)	(2.44)	7.30	(0.02)

5. We are dependent on our management team for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

6. In the 12 months prior to the date of filing the Prospectus, the Company had issued Equity Shares at a price, which is lower than the Issue Price.

Subscriber	Date of Allotment	Number of Equity Shares	Issue Price (Rs.)	Consideration	Reasons for Allotment
Mr. Vikram Jayantilal Lodha (25000), Mr. Jayantilal Hansraj Lodha (25000), Mrs. Meghna Vikram Lodha (25000), Mrs. Manju Jayantilal Lodha (25000)	14/10/2013	1,00,000	Nil	Bonus Issue (Other than Cash)	Bonus Issue in the ratio of 1:3

7. Increases in capital commitments in our trading and other businesses may increase the potential for significant losses.

The trend in capital markets is towards larger and more frequent commitments of capital by financial brokerage house in many of their activities. We may be subject to increased risk as we commit greater amounts of capital to facilitate primarily client - driven business. We may enter into large transactions in which we commit our own capital as part of our trading business. The number and size of these large transactions may materially affect our results of operations in a given period. We may also incur significant losses from our trading activities due to market fluctuations and volatility from quarter to quarter. We maintain trading positions in equity markets to facilitate client trading activities and at times these positions can be large and concentrated in a single issuer. To the extent that we own assets, i.e., have long positions, a downturn in the value of those assets or in those markets could result in losses. Conversely, to the extent that we have sold assets we do not own, i.e., have short positions, an upturn in those markets could expose us to potentially unlimited losses as we attempt to cover our short positions by acquiring assets in a rising market.

8. Our professional reputation may be affected adversely and we may be liable to our clients and third parties if our services are not regarded as satisfactory.

Our Company is dependent to a large extent on our relationships with our clients and our reputation for integrity and the professional services to attract and retain the clients. As a result, if a client is not satisfied with our services, it may affect our business adversely.

9. Our clients deal in securities and any default by a client could result in substantial losses.

Our clients are required to deposit a minimum initial margin and then are required to pay the balance settlement amount by the pay-in date for the transaction undertaken by us on their behalf. If a client is unable to pay this balance amount before the pay-in date, we may be required to make the payment on behalf of the defaulting client, which may affect our profitability. In case of high market volatility or



adverse movements in share price, it is possible that clients may not honor their commitment, and any inability on our part to pay the margins to the stock exchanges may be detrimental to our business, reputation and profitability.

10. We are subject to uncertainties associated with the securities industry and to fluctuating revenues.

As a financial services company, we are subject to uncertainties that are common in the securities industry. These include the volatility of domestic and international financial markets, bond and stock markets, extensive governmental regulation, litigation, intense competition, substantial fluctuations in the volume and price level of securities, and dependence on the solvency of various third parties. As a result, our revenues and earnings may vary significantly from quarter to quarter and from year to year. In periods of low trading volume, profitability is impaired because certain expenses remain relatively fixed. We are much smaller and have much less capital than many competitors in the securities industry and our revenues are likely to decline in such circumstances. If we are unable to correspondingly reduce expenses, our profit margins would erode.

11. Material changes in the regulations that govern us could cause our business to suffer and the price of our Equity Shares to decline.

We are regulated by the Companies Act and our operational activities are subject to supervision and regulation by statutory and regulatory authorities including the SEBI, BSE, NSE, and other regulators. For more information please refer the chapter titled “Key Industrial Regulations and Policies” on page no. 67 of this Prospectus. In addition, we are subject to changes in Indian law, as well as to changes in regulation, government policies and accounting principles. Any material changes in the regulations that govern us could cause our business to suffer and the price of equity shares may decline.

12. Our ability to pay dividends will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditure and other factors.

We have not yet paid any dividends. For further details please refer to chapter titled “Dividend Policy” on page no 90 of the Prospectus. The amount of our future dividend payments, if any, will depend upon our future earnings, financial conditions, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we shall have distributable funds or that we will declare dividends. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all.

13. The Objects of the Issue for which funds are being raised, are based on our management estimates and the same have not been appraised by any bank or financial institution or any independent agency. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”.

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page no. 44 of this Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated on page no. 44 under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated on page no. 46 under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.



14. We have not identified any alternate source of financing the ‘Objects of the Issue’. If we fail to mobilize resources as per our plans, our growth plans may be affected.

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” on page no. 44 of this Prospectus.

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

Our Company faces significant competition from companies seeking to attract clients’ financial assets. In particular, we compete with other Indian and foreign brokerage houses 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.

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;
- Greater brand recognition among consumers;
- Larger customer base in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

This will further increase competition in the brokerage and other markets. 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.

16. Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse effect on our business.

Our Company has availed stock brokers’ indemnity policies and comprehensive crimes and liabilities policy that provide coverage against incomplete transactions and computer crimes in compliance with byelaws including circulars of the various Indian stock exchanges. Apart from aforesaid policies, our Company has not availed any other insurance policy to cover any kind of risk. As our arrangements for insurance or indemnification are not adequate, we may be required to make substantial payments in the event of any damage and/or loss incurred. Further there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time.

17. Downturns or disruptions in the securities markets could reduce transaction volumes, and could cause a decline in the business and impact our profitability.

As a financial services company, our businesses are materially affected by conditions in the domestic and global financial markets and economic conditions in India and throughout the world. A significant portion of our revenues are derived from equity broking and merchant banking activities. Our revenues, level of operations and, consequently, our profitability are largely dependent on favourable capital market conditions, a conducive regulatory and political environment, investor sentiment, price levels of securities and other factors that affect the volume of stock trading in India and the level of interest in Indian business developments. For example, revenue generated by our broking, merchant banking and advisory business is directly related to the volume and value of the transactions in which we are involved. Many factors or events could lead to a downturn in the financial markets including war, acts of terrorism, natural catastrophes and sudden changes in economic and financial policies. These types of events could affect confidence in the financial markets and impair their ability to function effectively. Substantially all of our revenues in recent years have been derived from capital markets activities, and although we



continue to diversify our revenue sources, we expect this business to continue to account for a significant portion of our revenues in the foreseeable future. Capital markets are exposed to additional risks, including liquidity, interest rate and foreign exchange related risks. Any downturn or disruption in the securities markets and the capital markets specifically would have a material adverse effect on our results of operations. Even in the absence of a market downturn, we are exposed to substantial risk of loss due to market volatility. A market downturn would likely lead to a decline in the volume of transactions that we execute for our customers as well as a decrease in prices. Any decline in transaction volumes would lead to a decline in our revenues received from commissions. Our results of operations would be adversely affected by any reduction in the volume or value of broking and merchant banking transactions. Our profitability may also be adversely affected by our fixed costs and the possibility that we would be unable to scale back other costs within a time frame sufficient to match any decreases in revenue relating to changes in market and economic conditions. Our ability to grow our recent business ventures such as merchant banking and investment advisory services may also be limited in difficult market conditions. Performance of our capital businesses such as investment of our excess liquidity through our internal operations may be affected due to conditions in the financial markets and economic conditions. We are unable to quantify the impact of any such adverse market conditions on our business and/or financial condition.

18. Our business is dependent on systems and operations availability and any interruptions in our transaction systems could lead to decline in our sales and profits.

We are dependent on our technology systems to perform the critical function of gathering, processing and communicating information efficiently, securely and without interruptions. We face risks arising from failures in our systems control processes or technology systems on which our ability to manage our business depends. Additionally, rapid increases in client demand may strain our ability to enhance our technology and expand our operating capacity. At the core of our on-line trading system there is an application based on very small aperture terminals ("VSAT"), /Leased Lines which has a direct connection with the NSE and allows investors to trade securities on-line. The VSAT-based network allows us to provide investors with real-time market data such as streaming quotes from each market due to better connectivity. A breakdown or interruption in the Indian domestic satellite system could have a material adverse effect on our business and client base. Our operations are highly dependent on the integrity of our technology systems and our success depends, in part, on our ability to make timely enhancements and additions to our technology in anticipation of client demands. To the extent we experience system interruptions, errors or downtime (which could result from a variety of causes, including changes in client use patterns, technological failure, changes to systems, linkages with third-party systems, and equipment and power failures), it would have a significant impact on our business and operations. While we maintain back up of all records at our offices in Mumbai, any unforeseen events or circumstances beyond our control at this office could result in loss of data and records and adversely affect our results of operations. We currently do not have a disaster recovery system, and will be fully exposed in case of natural or man-made disasters.

19. Our Company has entered into certain related party transactions.

Our Company has entered into certain transactions with related parties, including our Promoters and Promoter Group. Such transactions or any future transactions with our related parties may potentially involve conflicts of interest and impose certain liabilities on our Company. For more details, please refer to chapter titled "Related Party Transactions" on page 89 of the Prospectus

20. Our success depends in large part upon our management team and skilled personnel and our ability to attract and retain such persons.

We are highly dependent on our senior management, our directors and other key personnel. Our future performance will depend upon the continued services of these persons. The loss of any of the members of our senior management, our directors or other key personnel may adversely affect our results of operations and financial condition. Competition in the financial services industry for senior management and qualified employees is intense. Our continued ability to compete effectively in our businesses



depends on our ability to attract new employees and to retain and motivate our existing employees. Our inability to hire and retain such employees could adversely affect our business.

21. We could be exposed to risks arising from employee and business associate misconduct and trading errors.

Misconduct by employees could include their binding us to transactions that exceed authorized limits or present unacceptable risks to us, hiding unauthorized or unsuccessful trading activities from us or the improper use of confidential information. These types of misconduct could result in business risks or losses to us including regulatory sanctions and serious harm to our reputation. Furthermore, while our business associates work under our overall supervision and control and that each of their clients are directly registered with us on a revenue sharing basis. Our Business Associates are typically managed by independent entrepreneurs and not by our employees. We have significantly less control over the activities of our business associates than our employees. The precautions we take to prevent and detect these activities may not be effective. For example, some of our clients place orders over the telephone. If employee or Business Associate performs misconduct or commits trading errors, our business operations and reputation could have a material adverse impact.

22. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 50,000 Lacs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

23. Our trademark is not registered under the Trade Marks Act our ability to use the trademark may be impaired.

Our company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection.

EXTERNAL RISK FACTORS

24. Political, economic and social changes in India could adversely affect our business.

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

25. Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.

The revenues recorded and income earned is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws as well as the significant use of estimates and



assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax laws, could impact the determination of the tax liabilities of our Company for any year.

26. Natural calamities and force majeure events may have an adverse impact on our business.

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

27. Global economic, political and social conditions may harm our ability to do business, increases our costs and negatively affects our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, financial, banking or liquidity crises, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Our profitability may also be adversely affected by fixed costs and the possible inability to scale back other costs within a time frame sufficient to match any decreases in revenue relating to changes in market and economic conditions. Additionally, during periods of adverse economic conditions, we may have difficulty accessing financial markets, which could make it more difficult or impossible for us to obtain funding for additional investments and acquisitions. A general market downturn, or a specific market dislocation, may result in lower investment returns, which would adversely affect our revenues.

28. Restrictions on foreign investment limit our ability to raise debt or capital outside India.

Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to invest in us. Foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the Reserve Board of India and the Foreign Investment Promotion Board.

29. Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.

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

30. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that



investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

31. Third party statistical and financial data in this Prospectus may be incomplete or unreliable.

We have not independently verified any of the data from industry publications and other sources referenced in this Prospectus and therefore cannot assure you that they are complete or reliable. Discussions of matters relating to India, its economies or the industries in which we operate in this Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

RISKS RELATING TO THE EQUITY SHARES

32. Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future equity issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

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

The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

34. The price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.

Prior to the offer, there has been no public market for our Equity Shares, and an active trading market on the SME Platform of BSE. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the equity broking industry in India and volatility in the Exchange and securities markets elsewhere in the world. However, the LM will arrange for compulsory market making for a period of 3 years from the date of listing as per the regulations applicable to the SME Platforms under SEBI (ICDR) Regulations, 2009.

35. 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 terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principle approval for listing of shares issued. We have only applied to BSE Limited to use its name as the Stock Exchange in this offer document for listing our shares on the SME Platform of BSE. 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.



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

Prior to this Issue, there has been no public market for our Equity Shares. Alacrity Securities Limited is acting as Designated Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers please refer to the section titled "*General Information - Details of the Market Making Arrangement for this Issue*" on page 30 of this Prospectus.

37. 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.

**PROMINENT NOTES:****1) SIZE OF THE ISSUE:**

Public Issue of 10,00,000 Equity Shares of Rs. 10/- each (the "Equity Shares") for cash at a price of Rs. 15/- per Equity Share aggregating to Rs. 150.00 Lacs ("the Issue") by Naysaa Securities Limited ("NSL" or the "Company" or the "Issuer"). Out of the Issue, 56,000 Equity Shares of Rs. 10 each at a price of Rs. 15/- each per Equity Share aggregating to Rs. 8.40 Lacs, which will be reserved for subscription by Market Makers to the issue (the "market maker reservation portion") and Net Issue to the Public of 9,44,000 Equity Shares of Rs. 10 each at a price of Rs. 15/- each per Equity Share aggregating to Rs. 141.60 Lacs (hereinafter referred to as the "Net Issue"). The Issue and the Net Issue will constitute 28.76% and 27.15%, respectively, of the post issue paid up Equity Share capital of the Company.

2) The average cost of acquisition of Equity Shares by the Promoters:

Name of the Promoter	No. of Shares held	Average cost of Acquisition Per Share (in Rs.)
Mr. Jayantilal Hansraj Lodha	447000	13.32
Mr. Vikram Jayantilal Lodha	947700	13.68

**The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares, including the issue of bonus shares to them. The average cost of acquisition of our Equity Shares by our Promoters has been reduced due to the issuance of bonus shares to them, if any. For more information, please refer to the section titled "Capital Structure" on page 33.*

- 3) Our Net worth as on 31st March, 2014 is Rs. 349.85 Lacs as per Restated Financial Statements.
- 4) The Book -Value per share as on 31st March, 2014 is Rs. 14.13 as per Restated Financial Statements.
- 5) There was no change in the name of the Company at any time during last three years except the fact that constitution of our Company has been changed from private limited company to limited company on 5th February, 2014 consequently the name was changed to "Naysaa Securities Limited"..
- 6) Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the BSE Limited, the Designated Stock Exchange. For more information, please refer to "Basis of Allotment" on page 137 of the Prospectus. 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) Investors are advised to refer to the paragraph on "Basis for Issue Price" on page 48 of this Prospectus before making an investment in this Issue.
- 8) No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, key management employee, associate companies, or Group Companies.
- 9) Investors may contact the Lead Manager or the Compliance Officer for any complaint/clarifications/information pertaining to the Issue. For contact details of the Lead Manager and the Compliance Officer, refer the front cover page.
- 10) Other than as stated in the section titled "Capital Structure" beginning on page 33 of this Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
- 11) Except as mentioned in the sections titled "Capital Structure" beginning on page 33 of this Prospectus, we have not issued any Equity Shares in the last twelve months.



- 12) Except as disclosed in the sections titled “*Our Promoters*” or “*Our Management*” beginning on pages 84 and 74 respectively of this Prospectus, none of our Promoters, our Directors and our Key Managerial Employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.
- 13) Any clarification or information relating to the Issue shall be made available by the LM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the LM for any complaints pertaining to the Issue. Investors are free to contact the LM for any clarification or information relating to the Issue who will be obliged to provide the same to the investor.
- 14) For transactions in Equity Shares of our Company by the Promoter Group and Directors of our Company in the last six (6) months, please refer to paragraph under the section titled “*Capital Structure*” on page 33 of this Prospectus.
- 15) There are no contingent liabilities as on 31st March, 2014.
- 16) For details of any hypothecation, mortgage or other encumbrances on the movable and immovable properties of our Company please refer to the section titled “*Financial Information*” on page 91 of this Prospectus.
- 17) Except as disclosed in the section titled “*Our Promoter Group / Group Companies / Entities*” on page 86, none of our Group Companies have business interest in our Company.
- 18) For interest of Promoters/Directors, please refer to the section titled “*Our Promoters*” beginning on page 85 of this Prospectus.
- 19) The details of transactions with the Group Companies/ Group Enterprises and other related party transactions are disclosed as Annexure 13 of restated financial statement under the section titled “*Financial Information*” on page 105 of the Prospectus.

**SECTION III: INTRODUCTION****SUMMARY**

This is only the summary and does not contain all information that you shall consider before investing in Equity Shares. You should read the entire Prospectus, including the information on “Risk Factors” and related notes on page 9 of this Prospectus before deciding to invest in Equity Shares.

INDUSTRY OVERVIEW**The Indian Economy**

India is the fourth largest economy in the world after the European Union, United States of America and China in purchasing power parity terms, with an estimated Gross Domestic Product (“GDP”) (purchasing power parity) of U.S.\$ 4.46 trillion in 2011 (Source: CIA World Factbook 2011). India rebounded from the global financial crisis, largely because of strong fundamentals and robust banking policies, posting a GDP growth of 7.8% in 2011. The Gross Domestic Product (GDP) in India expanded 0.8 percent in the second quarter of 2012 over the previous quarter. Historically, from 1996 until 2012, India GDP Growth Rate averaged 1.65 Percent reaching an all time high of 6.10 Percent in March of 2010 and a record low of -1.50 Percent in March of 2004.

Indian Financial Services Sector

The financial sector in India is characterized by liberal and progressive policies, vibrant equity and debt markets and prudent banking norms. India’s financial sector has been one of the fastest growing sectors in the economy. India has a financial system that is regulated by independent regulators in the sectors of banking, insurance, capital markets etc. The Indian financial sector attributes its growth to technology up gradation, consolidation of large broking houses, evolution of e-broking business, growth in retail segment, regulatory reforms, diversified asset instruments and foreign investment participation. There is huge growth potential in the Indian financial sector. Sectors such as banking, asset management and brokerage have been liberalized to allow private sector involvement, which has contributed to the development and modernization of the financial services sector.

Indian Capital Market

India has a transparent; highly technology enabled and well regulated stock / capital market. A vibrant, well developed capital market facilitates investment and economic growth. Today the stock markets are buoyant and have a range of players including mutual funds, FII, hedge funds, corporate and other institutions. Domestic savings and capital inflows are channelized in the capital markets. There were over 1,652 listings as of July 2012 on the nse and as of March 2012, there were over 5,133 listed Indian companies and over 8,196 scrips on the stock exchange. In recent years, the capital markets have undergone substantial reforms in regulation and supervision. Reforms, particularly the establishment of SEBI, market-determined prices and allocation of resources, screen-based nation-wide trading, t+2 settlement, scrip less settlement 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 presently 23 recognized stock exchanges in India.

Primary Security Market

Role of an efficient primary market is critical for resource mobilisation by corporates to finance their growth and expansion. Indian primary market witnessed renewed activity in terms of resource mobilisation and number of issues during 2010-11, continuing its momentum from 2009-10. In view of the recovery witnessed in equity markets post global financial crisis, companies, largely public sector with a divestment mandate, entered the primary market during 2010-11. Investors’ response to public issues was encouraging in 2010-11. Capital (equity and debt) was raised to the tune of 67,609 crore through 91 issues during 2010-11, higher than 57,555 crore mobilised through 76 issues during 2009-10. Continued reforms in the primary market further strengthened investors’ confidence. The primary market segment witnessed positive trend during 2010-11. Coal India Ltd. came out with India’s biggest-ever initial public offering (IPO) having issue size of 15,199.4 crore in October 2010. During 2010-11, a number of public sector undertakings (PSUs) raised money through primary market as part of disinvestment plan of Union Government. The total resource mobilisation by PSUs accounted for 56.5 percent of



total resources mobilised by all companies in 2010-11 as against 54.1 percent share in 2009-10. (Source - SEBI Annual Report).

Secondary Market

Equity market in India witnessed a significant uptrend during 2010-11 till October 2010. This was of significant FII inflows into India and number of IPOs/FPOs of companies like Coal India Ltd, Power Grid Corporation of India Ltd, Tata Steels Ltd, etc. coming to primary market which attracted number of investors to capital market. However, post Diwali in November 2010 when market touched its peak, Indian Securities Market took downward trend from December 2010 to February 2011 on account of significant FII outflows and concerns raised on domestic and international issues. However, the markets got revived in March 2011 as compared to February 2011 on account of easing of concerns on domestic and international issues and FIIs being net investor in Indian Markets in March, 2011 which helped the market sentiments (Source - SEBI Annual Report).

Market Capitalisation

The total market capitalization of securities available for trading on the CM segment increased from 63,350 crore (US \$ 115,606 million) as at end March 1995 to 60,96,518 crore (US \$ 11,10,679.18 million) as at end March 2012. (Source: NSE Fact book 2012)

Derivatives Market

Derivatives are meant to facilitate hedging of price risk of inventory holding or a financial/commercial transaction over a certain period. By providing investors and issuers with a wider array of tools for managing risks and raising capital, derivatives improve the allocation of credit and the sharing of risk in the global economy, lowering the cost of capital formation and stimulating economic growth. The financial derivatives gained prominence in post-1970 period due to growing instability in the financial markets and 27 became very popular, in the recent years, the market for financial derivatives has grown both in terms of variety of instruments available, their complexity and turnover. India's experience with the equity derivatives market has been extremely positive. The derivatives turnover on the NSE has surpassed the equity market turnover. The turnover of derivatives on the NSE increased from 23,654 million in 2000-2001 to 292,482,211 million in 2010-2011, and reached 157,585,925 million in the first half of 2011-2012. The average daily turnover in these market segments on the NSE was 1,151,505 million in 2010-2011 compared to 723,921 in 2009-2010. (Source: Indian Securities Market, A Review (ISMR) of 2012 by NSE)

BUSINESS OVERVIEW

Our Company was originally incorporated at Mumbai as "Naysaa Securities Private Limited" on 19th October, 2007 under the provisions of the Companies Act, 1956. Our Company was converted in to a Public Limited Company and consequently the name was changed to "Naysaa Securities Limited" vide fresh certificate of incorporation dated 5th February, 2014 issued by the Registrar of Companies, Mumbai, Maharashtra.

We are offering wide range of products & services covering equity broking and F&O to all kinds of investors viz. retail, high net worth individuals and corporate. We are headquartered at Mumbai and we operate through our registered office.

We are a diversified financial services company in India offering a wide range of products & services covering equity broking and equity derivatives to all kinds of investors, namely, retail, high net worth individuals and Corporate. Our Company is led by Mr. Vikram Jayantilal Lodha and Mr. Jayantilal Hansraj Lodha who are veteran in the financial markets and have steered the growth of the Company.

We are members of Capital Market Segment & Trading Member of Futures & Options Segment of BSE Limited. We have also applied for trading membership of National Stock Exchange of India Limited. Our business philosophy is always customer oriented and the services are offered under total confidentiality and integrity with the sole purpose of maximizing returns to clients.



Our customer base is a mix of high net worth, and retail investors. This diversified base of customers together with its wide gamut of services provides with the necessary stability and strength to weather the volatility much better than its competitors and maintain high customer service levels throughout. Our Company meets the support needs of this investor base through execution skill sets driven by an experienced sales team and research backed advice generated by a team of experienced analyst.

SWOT

Strengths

- Transparent functioning
- Innovative I. T solutions for customers
- Emphasis on building stronger bond with customers
- Services offered include Equity Trading, IPO and Investment Advisory
- Competent management team
- Focus on quality and service

Weaknesses

- Lack of PAN India presence
- Indians are mostly conservative and prefer investing in Gold and Real Estate

Opportunities

- High purchasing power and people looking to more investment opportunities
- Growing rural market
- Earning Urban Youth

Threats

- Stringent Economic measures by Government and RBI
- Entry of foreign firms in Indian Market



SUMMARY OF FINANCIAL DATA

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Equity & Liabilities					
Shareholders' Funds					
Share Capital	247.68	30.00	30.00	30.00	1.00
Reserve & Surplus	105.59	10.78	10.48	10.65	10.66
Total (A)	353.27	40.78	40.48	40.65	11.66
Non-Current Liabilities					
Long Term Borrowings	19.63	142.42	58.91	105.91	101.20
Share Application Money Pending Allotment	-	-	-	-	-
Deferred Tax Liabilities / (Assets)	0.31	0.14	0.04	-	-
Total (B)	19.94	142.56	58.95	105.91	101.20
Current Liabilities					
Short Term Borrowings	-	-	-	-	-
Trade Payables	37.63	3.49	39.52	47.55	0.07
Other Current Liabilities	0.44	0.02	0.45	0.39	
Short Term Provisions	0.33	0.43	0.45	0.30	4.39
Total (C)	38.40	3.94	40.42	48.24	4.46
Total (D=A+B+C)	411.61	187.28	139.85	194.80	117.32
Assets					
Fixed Assets	0.71	0.88	1.41	1.48	0.23
Deposits / Long Term Loans & Advances	239.50	106.99	93.76	141.58	111.81
Preliminary Expenses (To the extent not written off)	3.42	-	-	-	
Total (E)	243.63	107.87	95.17	143.06	112.04
Current Assets					
Trade Receivables	28.93	76.20	38.79	43.41	0.54
Inventories of Shares / Securities	23.64	-	-	-	3.70
Cash & Bank Balances	113.97	3.00	5.89	8.33	1.04
Short Term Loans & Advances	1.44	0.21	-	-	
Total (F)	167.98	79.41	44.68	51.74	5.28
Total (G=E+F)	411.61	187.28	139.85	194.80	117.32



STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Income					
Sale of Shares / Securities	684.13	2,673.04	868.71	1,139.34	7,209.40
Brokerage / Commission	8.54	2.56	4.10	3.54	-
Other Income	15.60	1.70	1.63	0.94	3.11
Total	708.27	2,677.30	874.44	1,143.82	7,212.51
Expenditure					
Purchases of Shares / Securities	706.30	2,665.14	865.04	1,124.28	7,195.79
Changes in Inventories of Shares / Securities	(23.64)	-	-	3.70	3.78
Employees Benefit Expenses	3.81	3.76	4.03	4.11	5.90
Administrative, Selling & Other Expenses	8.38	6.53	4.77	10.72	6.87
Total	694.85	2,675.43	873.84	1,142.81	7,212.34
Profit before Depreciation, Interest and Tax	13.42	1.87	0.60	1.01	0.17
Depreciation & Amortisation Expenses	0.37	0.53	0.73	0.48	0.16
Profit before Interest & Tax	13.05	1.34	(0.13)	0.53	0.01
Finance Cost	11.55	0.85	-	0.53	-
Net Profit before Tax	1.50	0.49	(0.13)	(0.00)	0.01
Less: Provision for Taxes:					
Current Tax	0.30	0.10	-	-	0.00
Deferred Tax	0.17	0.09	0.04	-	-
Net Profit After Tax & Before Extraordinary Items	1.03	0.30	(0.17)	(0.00)	0.01
Extra Ordinary Items (Net of Tax)	-	-	-	-	-
Net Profit	1.03	0.30	(0.17)	(0.00)	0.01



STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit after taxes	1.03	0.30	(0.17)	(0.00)	0.01
Adjustment for:					
Add: Depreciation & Amortisation Expenses	0.37	0.53	0.73	0.48	0.16
Add: Expenses Written Off	(0.05)	-	-	-	-
Add: Interest & Finance Charges	11.55	0.85	-	0.53	-
Operating Profit before Working capital changes	12.90	1.68	0.56	1.01	0.17
Adjustments for:					
Decrease (Increase) in Trade Receivables	47.27	(37.41)	4.62	(42.87)	(0.54)
Decrease (Increase) in Inventories	(23.64)	-	-	3.70	3.78
Decrease (Increase) in Short Term Loans & Advances	(1.23)	(0.21)	-	-	-
Decrease (Increase) in Deposits / Long Term Loans & Advances	(132.51)	(13.23)	47.82	(29.77)	101.75
Increase (Decrease) in Short Term Borrowings	-	-	-	-	-
Increase (Decrease) in Trade Payables	34.14	(36.03)	(8.03)	47.48	-
Increase (Decrease) in Other Current Liabilities	0.42	(0.43)	0.06	0.39	-
Increase (Decrease) in Short Term Provisions	(0.10)	(0.02)	0.15	(4.09)	-
Increase (Decrease) in Deferred Tax Liabilities	0.17	0.10	0.04	-	-
Net Changes in Working Capital	(75.48)	(87.23)	44.66	(25.16)	104.99
Net Cash Flow from Operating Activities (A)	(62.58)	(85.55)	45.22	(24.15)	105.16
CASH FLOW FROM INVESTING ACTIVITIES					
Sale / (Purchase) of Fixed Assets	(0.20)	-	(0.66)	(1.73)	(0.01)
Net Cash Flow from Investing Activities (B)	(0.20)	-	(0.66)	(1.73)	(0.01)
CASH FLOW FROM FINANCING ACTIVITIES					
Issue of share capital	311.51	-	-	29.00	-
Increase / (Repayment) of Share Application Money	-	-	-	-	-
Interest & Finance Charges	(11.55)	(0.85)	-	(0.53)	-
Preliminary Expenses Incurred	(3.42)	-	-	-	-
Increase / (Repayment) of Long Term Borrowings	(122.79)	83.51	(47.00)	4.71	(105.17)
Net Cash Flow from Financing Activities (C)	173.75	82.66	(47.00)	33.18	(105.17)
Net Increase / (Decrease) in Cash & Cash Equivalents	110.97	(2.89)	(2.44)	7.30	(0.02)
Cash and cash equivalents at the beginning of the year	3.00	5.89	8.33	1.04	1.06
Cash and cash equivalents at the end of the year/ Period	113.97	3.00	5.89	8.34	1.04



ISSUE DETAILS IN BRIEF

PRESENT ISSUE IN TERMS OF THIS PROSPECTUS

Equity Shares Offered: Fresh Issue of Equity Shares by our Company	Issue of 10,00,000 Equity Shares of Rs. 10 each at a price of Rs. 15 per Equity Share aggregating Rs. 150.00 Lacs
Of Which:	
Issue Reserved for the Market Makers	56,000 Equity Shares of Rs. 10/- each at a price of Rs. 15 per Equity Share aggregating Rs. 8.40 Lacs
Net Issue to the Public	9,44,000 Equity Shares of Rs. 10 each at a price of Rs. 15 per Equity Share aggregating Rs. 141.60 Lacs
Equity Shares outstanding prior to the Issue	24,76,750 Equity Shares of face value of Rs. 10 each
Equity Shares outstanding after the Issue	34,76,750 Equity Shares of face value of Rs. 10 each
Objects of the Issue	Please refer section titled “ <i>Objects of the Issue</i> ” on page 44 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 refer to “*Issue Structure*” on page 129 of this Prospectus.



NAYSAA SECURITIES LIMITED

GENERAL INFORMATION

NAYSAA SECURITIES LIMITED

Our Company was originally incorporated at Mumbai as “Naysaa Securities Private Limited” on 19th October, 2007 under the provisions of the Companies Act, 1956. Our Company was converted in to a Public Limited Company and consequently the name was changed to “Naysaa Securities Limited” vide fresh certificate of incorporation dated 5th February, 2014 issued by the Registrar of Companies, Mumbai, Maharashtra.

REGISTERED OFFICE & CORPORATE OFFICE:

102/104, Shivam Chambers,
S.V. Road, Goregaon (W),
Mumbai - 400062
Tel: +91-22-26760404
Fax: +91-22-26760202
Email: naysaa@naysaasecurities.com
Website: www.naysaasecurities.com

COMPANY REGISTRATION NUMBER: 175208

COMPANY IDENTIFICATION NUMBER: U67120MH2007PLC175208

ADDRESS OF REGISTRAR OF COMPANIES

100, Everest, Marine Drive,
Mumbai - 400 002
Tel: +91 22-22846955, 22812627,
22812645
Email: roc.mumbai@mca.gov.in

DESIGNATED STOCK EXCHANGE: BSE Limited

LISTING OF SHARES OFFERED IN THIS ISSUE: SME platform of BSE

For details in relation to the changes to the name of our Company, please refer to the section titled “Our *History and Corporate Structure*” beginning on page 72 of this Prospectus.

CONTACT PERSON: Ms. Nishi A Baig, Company Secretary & Compliance Officer; 102/104, Shivam Chambers, S.V. Road, Goregaon (W); Mumbai - 400062; Tel: +91-22-26760404; Email : naysaa@naysaasecurities.com

BOARD OF DIRECTORS:

Our Board of Directors comprise of the following members:

NAME	DESIGNATION	DIN	ADDRESS
Mr. Jayantilal Hansraj Lodha	Promoter & Director	01804241	302, Neelmani II, Bapu Bhai Vashi Road, Vile Parle (W), Mumbai - 400056
Mr. Vikram Jayantilal Lodha	Promoter & Whole Time Director	01773529	302, Neelmani II, Bapu Bhai Vashi Road, Vile Parle (W), Mumbai - 400056
Mr. Paras Thakor Shah	Independent & Non-Executive Director	06843650	A/44, Padma Nagar, Behind Chintamani Plaza, Andheri Kurla Road, Chakala, Andheri (E), Mumbai - 400099

**NAYSAA SECURITIES LIMITED**

NAME	DESIGNATION	DIN	ADDRESS
Mr. Abhishek Ashok Shastri	Independent & Non-Executive Director	06901599	D-50, Hastiraj Soc, Bapubhai Vashi Road, Vile Parle (W), Mumbai - 400056

For further details of Management of our Company, please refer to section titled "*Our Management*" on page 74 of this Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER	CHIEF FINANCIAL OFFICER
Ms. Nishi A Baig Company Secretary & Compliance Officer, 102/104, Shivam Chambers, S.V. Road, Goregaon (W), Mumbai - 400062 Tel: +91-22-26760404; Email: naysaa@naysaasecurities.com Investors can contact our Compliance Officer in case of any pre-Issue or post-Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.	Ms. Mansi Chawhan Chief Financial Officer, 102/104, Shivam Chambers, S.V. Road, Goregaon (W), Mumbai - 400062 Tel: +91-22-26760404; Email: naysaa@naysaasecurities.com

STATUTORY AUDITORS**DIMPLE N. PUNMIYA**

Chartered Accountants

501, Niranjana Building, 99, Marine Drive
Mumbai - 400002

Tel: +91-22-66170920

E-mail: vimalpunmiya@gmail.com

Contact Person: Ms. Dimple Punmiya

Membership No. 123082

PEER REVIEW AUDITORS**RAMANAND & ASSOCIATES**

Chartered Accountants

6/C, Ostwal Park, Building No. 4 CHSL,
Near Jesal Park, Jain Temple,
Bhayander (East), Thane - 401105

Tel: +91-22-28171199

Telefax: +91-22-28171199

E-mail: rg@ramanandassociate.com

Contact Person: Mr. Ramanand Gupta

Firm Registration No.-117776W

LEAD MANAGER**GUINNESS CORPORATE ADVISORS PVT. LTD.**

Guinness House,

18, Deshapriya Park Road,
Kolkata-700 026

Tel: +91-33-3001 5555

Fax: +91-33-2464 6969

Email: gmbpl@guinnessonline.net



NAYSAA SECURITIES LIMITED

Website: www.16anna.com

Contact Person: Ms. Alka Mishra

SEBI Regn. No: INM 000011930

LEGAL ADVISORS TO THE ISSUE

SUNIL SHUKLA

4, Shanti Sadan,
Opp. Haweli Poddar Road,
Malad (E),
Mumbai - 400 097

REGISTRAR TO THE ISSUE

BIGSHARE SERVICES PRIVATE LIMITED

E/2, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (E), Mumbai - 400 072.

Tel: +91 22 4043 0200

Fax: +91 22 2847 5207

Website: www.bigshareonline.com

E-mail: ipo@bigshareonline.com

Contact person: Mr. Ashok Shetty

SEBI Registration No: INR000001385

COLLECTING BANKERS / BANKER TO THE ISSUE AND REFUND BANKER

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: +91 22 3075 2928

Fax: +91 22 2579 9801

Website: www.hdfcbank.com

E-mail: uday.dixit@hdfcbank.com

Contact person: Mr. Uday Dixit

SEBI Registration No: INBI000000063

SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount ("ASBA") Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

CREDIT RATING

As the Issue is of Equity shares, credit rating is not mandatory.

TRUSTEES

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

**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.

BROKERS TO THE ISSUE

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

APPRAISAL AND MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 500.00 Crores. Since the Issue size is only of Rs. 150.00 Lacs, our Company has not appointed any 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.

DETAILS OF THE APPRAISING AUTHORITY

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

INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Guinness Corporate Advisors Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager's is not required.

EXPERT OPINION

Except the report of the Statutory Auditor of our Company on the financial statements and statement of tax benefits included in the Prospectus, our Company has not obtained any other expert opinion.

UNDERWRITING AGREEMENT**Underwriting**

This Issue is 100% Underwritten. The Underwriting Agreement is dated 23rd June, 2014. 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:

Name and Address of the Underwriters	Number of Equity shares Underwritten	Amount Underwritten (Rupees In Lacs)
GUINNESS CORPORATE ADVISORS PVT. LTD. Guinness House, 18, Deshapriya Park Road, Kolkata-700 026 Tel : +91-33-3001 5555 Fax: +91-33-24646969 Email: gmbpl@guinessonline.net Website: www.16anna.com Contact Person: Ms. Alka Mishra SEBI Regn. No: INM 000011930	10,00,000	150.00
Total	10,00,000	150.00



DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company has entered into an agreement dated 23rd June, 2014 with the Lead Manager and Market Maker to fulfill the obligations of Market Making.

NAME AND ADDRESS OF THE MARKET MAKER

ALACRITY SECURITIES LIMITED

101, 1st Floor, Hari Dharshan,
B Wing, Bhogilal Fadia Road,
Kandivali (West),
Mumbai - 400 067
Tel: +91-22-28073882/28073982
Fax: +91-22-28073967
Email : alacritysec@gmail.com
Website: www.alacritysec.com

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/- . However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25 %. (Including the 56,000 Equity Shares out to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 56,000 Equity Shares would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
4. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. 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.
7. 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.



8. The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. 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.
10. The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

11. **Risk containment measures and monitoring for Market Makers:** 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.
12. **Punitive Action in case of default by Market Makers:** 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.

13. **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 Rs. 250 crores, the applicable price bands for the first day shall be:
 - i. 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.
 - ii. 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.
 - iii. 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 Rs.)	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, before and after the Issue, is set forth below.
(Rs. in Lacs, except share data)

Sr. No	Particulars	Aggregate value at face value	Aggregate value at Issue Price
A.	Authorized Share Capital		
	44,00,000 Equity Shares of face value of Rs.10 each	440.00	440.00
B.	Issued, subscribed and paid-up Equity Share Capital before the Issue		
	24,76,750 Equity Shares of face value of Rs. 10 each	247.67	---
C.	Present Issue in terms of the Prospectus		
	Issue of 10,00,000 Equity Shares of Rs. 10 each at a price of Rs. 15 per Equity Share.	100.00	150.00
	Which comprises		
	56,000 Equity Shares of Rs. 10/- each at a price of Rs. 15 per Equity Share reserved as Market Maker Portion	5.60	8.40
	Net Issue to Public of 9,44, 000 Equity Shares of Rs. 10/- each at a price of Rs. 15 per Equity Share to the Public	94.40	141.60
	Of which		
	4,72,000 Equity Shares of Rs.10/- each at a price of Rs. 15 per Equity Share will be available for allocation for Investors of up to Rs. 2.00 Lacs	47.20	70.80
	4,72,000 Equity Shares of Rs. 10/- each at a price of Rs. 15 per Equity Share will be available for allocation for Investors of above Rs. 2.00 Lacs	47.20	70.80
D.	Equity capital after the Issue		
	34,76,750 Equity Shares of Rs. 10 each	347.67	---
E.	Securities Premium Account		
	Before the Issue	103.84	
	After the Issue	153.84	

**This Issue has been authorized by the Board of Directors pursuant to a board resolution dated 5th May, 2014 and by the shareholders of our Company pursuant to a special resolution dated 2nd June, 2014 passed at the EGM of shareholders under section 62 (1)(c) of the Companies Act, 2013.*

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

CHANGES IN THE AUTHORIZED SHARE CAPITAL OF OUR COMPANY:

Sr. No.	Particulars of Change		Date of Shareholders' Meeting	Meeting AGM/EGM
	From	To		
1	-	10,000 Equity Shares of Rs. 10 each	-	Incorporation
2	10,000 Equity Shares of Rs. 10 each	3,00,000 Equity Shares of Rs. 10 each	10 th July, 2010	EGM
3	3,00,000 Equity Shares of Rs. 10 each	44,00,000 Equity Shares of Rs. 10 each	14 th October, 2013	EGM



NOTES FORMING PART OF CAPITAL STRUCTURE

1. Equity Share Capital history of our Company

Date of/ issue allotment of Shares	No. of Equity Shares Issued	Fac e valu e (Rs)	Issu e pric e (Rs.)	Considerat ion (cash, bonus, considerati on other than cash)	Nature of allotment (Bonus, swap etc.)	Cumulati ve no. of Equity Shares	Cumulativ e paid-up share capital (Rs.)	Cumulative share premium (Rs.)
Incorporation	10000	10	10	Cash	Subscription to MOA	10000	100000	NIL
04/08/2010	290000	10	10	Cash	Further Allotment	300000	3000000	NIL
14/10/2013	100000	10	Nil	Other than Cash	Bonus Allotment	400000	4000000	NIL
11/11/2013	460000	10	15	Cash	Further Allotment	860000	8600000	2300000
23/01/2014	885050	10	15	Cash	Further Allotment	1745050	17450500	6725250
31/03/2014	731700	10	15	Cash	Further Allotment	2476750	24767500	10383750

- We have not issued any Equity Shares for consideration other than cash.
- We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 230- 233 of the Companies Act, 2013.
- Issue of Equity Shares in the last one (1) year:

Except as stated below, we have not issued any Equity Shares in the preceding one year and some of these Equity Shares may have been issued at a price lower than the Issue Price:

Date of Allotment	Number of Equity Shares	Name of the Allottees	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
14/10/2013	100000	Mr. Vikram Jayantilal Lodha (25000) Mr. Jayantilal Hansraj Lodha (25000) Mrs. Meghna Vikram Lodha (25000) Mrs. Manju Jayantilal Lodha (25000)	} Promoter	Bonus (1:3)	10	N.A.
11/11/2013	460000	Mr. Vikram Jayantilal Lodha (281000) Mr. Jayantilal Hansraj Lodha (12000) Ms. Naysaa Lodha (12000) Mr. Ishan Lodha (9000) Vikram Lodha HUF (33000) M/s. Vikram Shares & Stock Broking Pvt. Ltd. (13000) Ms. Rupal Himanshu Mehta (40000) Ms. Pallavi Punamiya	} Promoters None	Allotment to infuse funds in to the Company	10	15



Date of Allotment	Number of Equity Shares	Name of the Allottees	Relationship with the Promoters	Reasons for the Allotment	Face Value (in Rs.)	Issue Price (in Rs.)
		(25000) Ms. Hemalata A Solanki (35000)	None			
23/01/2014	885050	Mr. Vikram Jayantilal Lodha (335000) Mr. Jayantilal Hansraj Lodha (400000) Ms. Pratibha Shah (20000) Ms. Dimple Visaria (66700) Ms. Henil Nanji Dedhia (10000) Mr. Nilesh Dedhia (10000) Ms. Rekha K Gala (33350) Mr. Nilesh Suria (10000)	<div>Promoter</div> <div>None</div>	Allotment to infuse funds in to the Company	10	15
31/03/2014	731700	Mrs. Meghna Vikram Lodha (66700) Mr. Babulal Tarachand Sanghvi (47500) Mr. Anil Kumar Babulal Shah (47500) Mr. Rajesh Babulal Shah (47500) Mr. Sanghvi Aswain Kumar (47500) Mr. Samkit Ashwinbhai Sanghvi (47500) Ms. Kantaben Babulal Shah (47500) Ms. Sonal Anil Shah (47500) Ms. Chetnaben Rajesh Shah (47500) Ms. Niranjana A Sanghvi (47500) Ms. Sona Samkit Sanghvi (47500) Mr. Sagar Anil Shah (47500) Mr. Shah Parth Anilkumar (47500) Mr. Varshil R Shah (47500) Mr. Virag Rajesh Shah (47500)	<div>Promoter</div> <div>None</div>	Allotment to infuse funds in to the Company	10	15



5. Shareholding of our Promoters:

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

1. Mr. Jayntilal Hansraj Lodha							
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
19/10/2007	Cash	2500	10	10	Subscription to MOA		
04/08/2010	Cash	35750	10	10	Allotment		
21/01/2011	Cash	36750	10	10	Acquisition		
14/10/2013	NA	25000	10	Nil	Bonus (1:3)		
11/11/2013	Cash	12000	10	15	Allotment		
23/01/2014	Cash	335000	10	15	Allotment		
Total		447000				18.05	12.86

2. Mr. Vikram Jayntilal Lodha							
Date of Allotment / Transfer	Consideration	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition/Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %
19/10/2007	Cash	2500	10	10	Subscription to MOA		
04/08/2010	Cash	35750	10	10	Allotment		
21/01/2011	Cash	36750	10	10	Acquisition		
14/10/2013	NA	25000	10	Nil	Bonus (1:3)		
11/11/2013	Cash	281000	10	15	Allotment		
20/12/2013	Cash	100000	10	10	Acquisition		
23/01/2014	Cash	400000	10	15	Allotment		
02/06/2014	Cash	66700	10	15	Acquisition		
Total		947700				38.26	27.26

Details of Promoters' contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations aggregate of 20% of the post-Issue capital held by our Promoters shall be considered as promoters' contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters 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 filing of this Prospectus until the commencement of the lock-in period specified above.



Name of Promoter	No. of shares locked in	Date of Allotment/ Acquisition/Transfer	Issue Price / Purchase Price /Transfer Price(Rs. per share)	% of Pre-Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
Mr. Jayantilal Hansraj Lodha	300000	23/01/2014	15		
Mr. Vikram Jayantilal Lodha	400000	23/01/2014	15		
TOTAL	7,00,000			28.26	20.13

We further confirm that the minimum Promoter Contribution of 20% which is subject to lock-in for three years does not consist of:

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

Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post -Issue paid-up Equity Share Capital from the date of allotment in the proposed public Issue. Promoters' Contribution does not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

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.

The Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan. The Promoters' Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue.

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.

6. Details of share capital locked in for one year:

In addition to 20% of the post-Issue shareholding of our Company held by the Promoters (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, 2009, the entire pre-Issue share capital of our Company (including the Equity Shares held by our Promoters) shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, 2009, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code.

7. Shareholding pattern of our Company:

A: The following table presents the shareholding pattern of Our Company

Category of Shareholder	No. of Shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity	Number of shares	As a %
Shareholding of Promoters and Promoter group							
INDIAN							
Individuals/HUFs Directors/Relatives	7	1615400	65.23	1615400	46.46	---	---
Central Govt. / State Govts.	-	---	---	---	---	---	---
Bodies Corporate	1	13000	0.52	13000	0.37	---	---
Financial Institutions/Banks	-	---	---	---	---	---	---
Sub Total A (1)	8	1628400	65.75	1628400	46.83	---	---
FOREIGN							
Bodies Corporate	-	---	---	---	---	---	---
Individual	-	---	---	---	---	---	---



Category of Shareholder	No. of Shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity	Number of shares	As a %
Institutions	-	---	---	---	---	---	---
Any others (specify)	-	---	---	---	---	---	---
Sub Total A (2)	-	---	---	---	---	---	---
Total Shareholding of Promoter group A (1) + A (2)	8	1628400	65.75	1628400	46.83	---	---
PUBLIC SHAREHOLDING							
Institutions							
Central Govt. / State Govts.	-	---	---	[•]	[•]	---	---
Financial Institutions/Banks	-	---	---	[•]	[•]	---	---
Mutual Funds/UTI	-	---	---	[•]	[•]	---	---
Venture Capital Funds	-	---	---	[•]	[•]	---	---
Insurance Companies	-	---	---	[•]	[•]	---	---
Foreign Institutions Investors	-	---	---	[•]	[•]	---	---
Foreign Venture Capital Investors	-	---	---	[•]	[•]	---	---
Any Others (Specify)	-	---	---	[•]	[•]	---	---
Sub Total B (1)	-	---	---	[•]	[•]	---	---
Non Institutions	-	---	---				
Bodies Corporate	-	---	---	[•]	[•]	---	---
Individuals-shareholders holding normal share capital up to Rs. 1 Lac	-	---	---	[•]	[•]	---	---
Individuals-shareholders holding normal Share capital in excess of Rs.1 Lac	22	848350	34.25	[•]	[•]	---	---
Trust	-	---	---	[•]	[•]	---	---
Any Other (i) Clearing Member	-	---	---	[•]	[•]	---	---
Directors/Relatives	-	---	---	[•]	[•]	---	---
Employees	-	---	---	[•]	[•]	---	---
Foreign Nationals	-	---	---	[•]	[•]	---	---
NRIs	-	---	---	[•]	[•]	---	---
OCB'S	-	---	---	[•]	[•]	---	---
Person Acting in Concert	-	---	---	[•]	[•]	---	---
Sub Total B(2)	22	848350	34.25	[•]	[•]	---	---
Total Public Shareholding B(1) + B(2)	22	848350	34.25	[•]	[•]	---	---
Total A+B	30	2476750	100.00	1792350	51.56	---	---
Shares held by Custodians and against which Depository receipts have been issued (C)	---	---	---	---		---	---
Shares held by Market Makers (D)	---	---	---	56000	1.61	---	---
Grand Total A+B+C+D	30	2476750	100.00	3476750	100.00	---	---

**[B] Shareholding of our Promoters and Promoter Group**

The table below presents the current shareholding pattern of our Promoters and Promoter Group (Individuals and Companies) as per clause 37 of the SME Listing Agreement.

Sr. No.	Name of the Shareholders	Pre-Issue		Post-Issue		Shares pledged or otherwise encumbered		
		No. of Equity Shares	As a % of Issued Share Capital	No. of Equity Shares	As a % of Issued Share Capital	Number	As a percentage	As a % of grand Total (a)+(b)+(c) of Sub-clause (i)(a)
A	Promoters							
1	Mr. Jayantilal Hansraj Lodha	447000	18.05	447000	12.86	-	-	-
2	Mr. Vikram Jayantilal Lodha	947700	38.26	947700	27.26	-	-	-
B	Promoter Group, Relatives and other Associates							
3	Mrs. Manju J Lodha	100000	4.04	100000	2.88	-	-	-
4	Mr. Ishaan V Lodha	9000	0.36	9000	0.26	-	-	-
5	Ms. Naysaa V Lodha	12000	0.48	12000	0.33	-	-	-
6	Mrs. Meghna V Lodha	66700	2.69	66700	1.92	-	-	-
7	Vikram Jayantilal HUF	33000	1.34	33000	0.95	-	-	-
8	Vikram Shares & Stock Broking Pvt. Ltd.	13000	0.53	13000	0.37	-	-	-
	TOTAL (A+B)	1628400	65.75	1628400	46.83	-	-	-

[C] Shareholding of persons belonging to the category 'Public' and holding more than 1% of our Equity Shares

Sr. No.	Name of the Shareholders	Pre-Issue		Post-Issue	
		No. of Shares	Shares as % of total no. of shares	No. of Shares	Shares as % of total no. of shares
1	Rupal Himanshu Mehta	40000	1.62	40000	1.15
2	Pallavi Punmiya	25000	1.00	25000	0.72
3	Hemlata A Solanki	35000	1.41	35000	1.01
4	Rekha K Gala	33350	1.35	33350	0.96
5	Babulal Tarachand Sanghvi	47500	1.92	47500	1.37
6	Anilkumar Babulal Shah	47500	1.92	47500	1.37
7	Rajesh Babulal Shah	47500	1.92	47500	1.37
8	Sanghvi Ashvinkunam B	47500	1.92	47500	1.37
9	Samkit Ashvinbhai Sanghvi	47500	1.92	47500	1.37
10	Kantaben Babulal Shah	47500	1.92	47500	1.37
11	Sonal Anil Shah	47500	1.92	47500	1.37
12	Chetnaben Rajesh Shah	47500	1.92	47500	1.37
13	Niranjana A Sanghvi	47500	1.92	47500	1.37
14	Sona Samkit Sanghvi	47500	1.92	47500	1.37
15	Sagar Anil Shah	47500	1.92	47500	1.37
16	Shah Parth Anilkumar	47500	1.92	47500	1.37
17	Varshil R Shah	47500	1.92	47500	1.37
18	Virag Rajesh Shah	47500	1.92	47500	1.37



8. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Jayantilal Hansraj Lodha	447000	13.32
Mr. Vikram Jayantilal Lodha	947700	13.68

9. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as follows:

Name of the Shareholders	No. of Equity Shares	Pre-Issue percentage Shareholding
Mr. Jayantilal Hansraj Lodha	447000	18.05
Mr. Vikram Jayantilal Lodha	947700	36.26
TOTAL	1394700	54.31

10. Equity Shares held by top ten shareholders

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

Sr. No.	Name of the Shareholders	No. of Shares	% age of Pre-Issue Capital
1	Vikram Jayantilal Lodha	947700	36.26
2	Jayantilal Hansraj Lodha	447000	18.05
3	Manju J Lodha	100000	4.04
4	Meghna V Lodha	66700	2.69
5	Babulal Tarachand Sanghvi	47500	1.92
6	Anilkumar Babulal Shah	47500	1.92
7	Rajesh Babulal Shah	47500	1.92
8	Sanghvi Ashvinkunam B	47500	1.92
9	Samkit Ashvinbhai Sanghvi	47500	1.92
10*	Kantaben Babulal Shah	47500	1.92
10*	Sonal Anil Shah	47500	1.92
10*	Chetnaben Rajesh Shah	47500	1.92
10*	Niranjana A Sanghvi	47500	1.92
10*	Sona Samkit Sanghvi	47500	1.92
10*	Sagar Anil Shah	47500	1.92
10*	Shah Parth Anilkumar	47500	1.92
10*	Varshil R Shah	47500	1.92
10*	Virag Rajesh Shah	47500	1.92
	Total	2226400	87.92

* On sr. no. 10, there are 9 shareholders holding 47500 Shares Each.

(b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of the Prospectus are as under:

Sr. No.	Name of the Shareholders	No. of Shares	% age of Pre-Issue Capital
1	Vikram Jayantilal Lodha	947700	36.26
2	Jayantilal Hansraj Lodha	447000	18.05
3	Manju J Lodha	100000	4.04
4	Meghna V Lodha	66700	2.69



Sr. No.	Name of the Shareholders	No. of Shares	% age of Pre-Issue Capital
5	Babulal Tarachand Sanghvi	47500	1.92
6	Anilkumar Babulal Shah	47500	1.92
7	Rajesh Babulal Shah	47500	1.92
8	Sanghvi Ashvinkunam B	47500	1.92
9	Samkit Ashvinbhai Sanghvi	47500	1.92
10*	Kantaben Babulal Shah	47500	1.92
10*	Sonal Anil Shah	47500	1.92
10*	Chetnaben Rajesh Shah	47500	1.92
10*	Niranjana A Sanghvi	47500	1.92
10*	Sona Samkit Sanghvi	47500	1.92
10*	Sagar Anil Shah	47500	1.92
10*	Shah Parth Anilkumar	47500	1.92
10*	Varshil R Shah	47500	1.92
10*	Virag Rajesh Shah	47500	1.92
	Total	2226400	87.92

* On sr. no. 10, there are 9 shareholders holding 47500 Shares Each.

(c) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of the Prospectus are as under:

Sr. No.	Name of the Shareholders	No. of Shares	% age of then Capital
1	Vikram Jayantilal Lodha	75000	25.00
2	Jayantilal Hansraj Lodha	75000	25.00
3	Manju J Lodha	75000	25.00
4	Meghna V Lodha	75000	25.00
	TOTAL	300000	100.00

11. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through the Prospectus.

12. 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 BSE.

13. Our Company has not raised any bridge loans against the proceeds of this Issue.

14. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on "Basis of Allotment" on page 137 of this Prospectus.

15. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot.

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 to ensure that 20% of the post issue paid-up capital is locked-in.

16. As on date of filing of this Prospectus, 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.



17. On the date of filing the Prospectus, 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.
18. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
19. Lead Manager to the Issue viz. Guinness Corporate Advisors Private Limited does not hold any Equity Shares of our Company.
20. Our Company has not revalued its assets since incorporation.
21. Our Company has not made any public issue since incorporation.
22. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
23. 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 until the Equity Shares to be issued pursuant to the Issue have been listed.
24. 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 (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
25. At any given point of time, there shall be only one denomination for a class of Equity Shares of our Company.
26. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
27. 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.
28. 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.
29. Our Company has Thirty (30) members as on the date of filing of this Prospectus.

**OBJECTS OF THE ISSUE**

The objects of this Issue are to raise funds to:-

1. Expand our domestic operations and network of branches
2. Enhancement of margin money maintained with the exchanges
3. General corporate purposes
4. Public Issue expenses

In addition, our Company expects to receive the benefits of listing the Equity Shares on the SME Platform of BSE Limited.

The main objects and objects incidental or ancillary to the main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised by us through this Issue. Further, we confirm that the activities we have been carrying out until now are in accordance with the object clause of our Memorandum of Association.

OUR REQUIREMENT OF FUNDS AND MEANS OF FINANCE

We are a brokerage house, providing a wide range of products & services covering equity broking, equity derivatives and investment advisory to all kinds of investors. We intend to utilize the proceeds of this Issue for financing the growth of our business towards the under-mentioned activities. The details of utilization of proceeds are as per the table set forth below:

(Rs. in Lacs)		
S.N	Particulars	Proposed Utilizations of Issue Proceed
1	Expanding our domestic operations and network of branches	51.00
2	Enhancement of margin money maintained with the exchanges	50.00
3	General corporate purposes	9.00
4	Public Issue Expenses	40.00
	Total	150.00

We propose to meet all the requirement of funds entirely from the proceeds of the Issue and, therefore, no amount is required to be raised through means other than the Issue for financing the same. Accordingly, regulation 4(2)(g) of the SEBI (ICDR) Regulations, 2009 (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the proposed Issue) does not apply to the Issue.

The fund requirement and deployment, as mentioned in the “*Objects of the Issue*” on page no. 44 of this Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds towards the Objects of the Issue is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as proposed in the “*Objects of the Issue*” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**Details of the Objects****1. Expanding our domestic operations and network of branches.**

We currently operate from our registered office in Goregaon i.e. western suburb of Mumbai. We believe that organic growth can be achieved only by expanding our geographical presence. Going forward, we intend to set up three (3) branches in and around Mumbai on lease and license basis.

Sr.No.	Particulars	Amount (Rs. in Lacs)
a)	Setting up three (3) branch offices	51.00
	Total	51.00

a) Setting up branch offices

We want to expand our reach by setting up 3 branches on lease / rental basis. The cost involved in setting up a new branch on lease and license basis primarily comprises of deposit/advance rent for lease & license arrangements, expenditure on interiors, furniture and fixtures, electrical, installation of computers, network-connectivity, etc. Except the advance rent/ deposit for lease & license component, the other costs largely remain the same for similar sized branches in all the cities. We intend to utilize approx. Rs. 51 lacs for establishing three (3) branches. The details of the cost of the establishing each branch are provided as below:

Particulars	Estimated Cost (Rs. in Lacs)
Deposits/ advance rentals (800-1000 Sq. ft.)	1.50
Furniture & Fixtures	4.00
IT & Other office equipment	8.50
Pre-Operative Administrative expenses	3.00
Total	51.00

The time taken to establish a branch may range from three to four months from the date of identification of the location of the prospective branch. Since the time required in establishing a branch is relatively short, we will be setting up these branches after completing the Issue, therefore, we have not made any arrangements for establishment of any of these branches.

2. Enhancement of margin money maintained with the exchanges

Part of the proceeds of this Issue will be utilized for the margins to be placed with the stock exchanges including BSE as well as NSE. The margin requirements with the exchanges are determined on the basis of trading volumes and market volatility and to the extent of open interest in respect of equity/ stock future.

Such margin requirements comprise of “initial margin” representing initial margin paid and “margin deposits”, representing additional margin over and above the initial margin, for entering into contracts for equity index/ stock futures, which are released on final settlement and/or squaring up of underlying contracts. Further, equity index/ stock futures are marked-to-market on a daily basis, in which case, “mark-to-market margin” is required to be provided, representing the net amount paid or received on the basis of movement of price/ stock futures till the balance sheet date. While the initial margin and the margin deposits with the stock exchanges/ professional clearing members can be created by way of deposit of either stock or bank guarantees or fixed deposits with banks or cash, however, the marked-to-market margin is typically created by way of deposit of cash. With the proposed expansion in the operation and branch network and the growth plan envisaged by our Company, we expect our trading volumes to increase leading to additional margin capital requirements for our Company.

Consequently, we propose to deploy Rs. 50 Lacs out of Issue proceeds by fiscal 2015 and fiscal 2016 towards enhancing the margins with the exchanges through either bank guarantees or fixed deposits with banks or cash. Such capital infusion will enable us to undertake more business in equities and derivatives markets.



3. General Corporate Purposes

We intend to deploy the balance Net Proceeds aggregating Rs.9 Lacs towards the general corporate purposes, including but not restricted to entering into strategic alliances, partnership, investment in other segments of the industry, growth through inorganic route and the strengthening our marketing capabilities or any other purposes as approved by our Board of Directors.

4. Issue Related Expenses

The total estimated expenses are Rs. 40 Lacs which is 26.67 % of Issue Size. The details of Issue expenses are tabulated below:

		(Rs. In Lacs)
No.	Particulars	Amount (Rs. 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.	30.00
2.	Printing & Stationery, Distribution, Postage, etc	4.00
3.	Advertisement & Marketing Expenses	2.00
4.	Regulatory & other expenses	4.00
Total		40.00

SCHEDULE OF DEPLOYMENT OF FUNDS

The overall cost of the proposed Project and the proposed year wise break up of deployment of funds are as under:

(Rs. In Lacs)				
Particulars	Already Incurred	FY 2014 - 15	FY 2015 - 16	TOTAL
Expanding our domestic operations and network of branches	-	30.00	21.00	51.00
Enhancement of Margin Money maintained with the Exchanges	-	30.00	20.00	50.00
General corporate Purposes	-	9.00	-	9.00
Issue Expenses	2.00	38.00	-	40.00
TOTAL	2.00	107.00	41.00	150.00

DETAILS OF FUNDS ALREADY DEPLOYED TILL DATE AND SOURCES OF FUNDS DEPLOYED

The funds deployed up to 31st March, 2014 pursuant to the object of this Issue on the Project as certified by the Auditors of our Company, viz. Dimple N Punmiya, Chartered Accountants pursuant to their certificate dated 24th June, 2014 is given below:

		(Rs. in Lacs)
Deployment of Funds		Amount
Project related		-
Issue Related Expenses		2.00
Total		2.00



(Rs. in Lacs)

Sources of Funds	Amount
Internal Accruals	2.00
Bank Finance	-
Total	2.00

APPRAISAL BY APPRAISING AGENCY

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

BRIDGE FINANCING FACILITIES

We have not entered into any bridge loan facility that will be repaid from the Net Proceeds of the Issue.

SHORTFALL OF FUNDS

Any shortfall in meeting the Project cost will be met by way of internal accruals.

INTERIM USE OF FUNDS

The Company in accordance with compliance of section 61 of the Companies Act, 1956 and with the policies established by the Board will have flexibility in deploying Issue proceeds received by us from the Issue during the interim period pending utilization for the Objects of the Issue as described above. The particular composition, timing and schedule of deployment of the Issue proceeds will be determined by us based upon the deployment of the projects. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

MONITORING OF UTILIZATION OF FUNDS

As the Net Proceeds of the Issue will be less than Rs. 50,000 Lacs, under the SEBI Regulations it is not mandatory for us to appoint a monitoring agency.

The management of the Company will monitor the utilization of funds raised through this public issue. Pursuant to Clause 52 of the SME Listing Agreement, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this 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.

**BASIS FOR ISSUE PRICE**

Investors should read the following basis with the “Risk Factors” beginning on page 9 and the details about the “Business of Our Company” and its “Financial Statements” included in this Prospectus on page 62 & 91 respectively to get a more informed view before making any investment decisions.

QUALITATIVE FACTORS

Some of the qualitative factors which form the basis for computing the Issue Price are:

- ***An integrated financial services platform***
We offer our clients an integrated financial services platform by offering various financial services and products covering equity broking, F&O and investment advisory. Our integrated service platform allows us to leverage relationships across the lines of businesses and our industry and product knowledge by providing multi-channel delivery systems to our client base, thereby increasing our ability to cross-sell our services.
- ***Diversified services***
We believe that our wide range of products and services enables us to build stronger relationships with our clients and increase business volumes of our company. We continue to explore opportunities to build new businesses and widen our product portfolio by adding other products and services, where we can leverage our existing expertise. We believe that our presence in diverse lines of business of financial services enables us to mitigate risks arising from product and client concentration.
- ***Diversified client base***
We serve more than 107 clients in our broking division alone and are not dependent on small set of high net worth individuals but have exposure to a well-diversified client base ranging from retail investors to HNI. We constantly revamp our risk management system in order to avoid any margin shortfall on broking clients or on funding clients. We have deployed adequate policy based monitoring and squaring off not only for mass retail but also for high net worth clients. This helps us in protecting our capital during adverse market movements and also sustains our financial performance.
- ***Experienced Management***
We believe that our senior management and our talented and experienced Team are the principal reason for the growth of our Company. We believe that the extensive experience and financial acumen of our management and staff facilitates us with a significant competitive advantage.
- ***Growing client base built on well-recognized brand***
Our Company believes in maintaining long term relationships with our clients. Our dedicated efforts is to focus on client service and our ability to provide timely solutions enables us to resolve customer complaints, if any well in time. This has helped us to establish long-term relationships with high net worth individual clients. This has helped us to receive repeated business from our clients. We also believe that because of our timely trade execution, competitive pricing and customer service, we enjoy goodwill amongst our customers.

QUANTITATIVE FACTORS

Information presented in this section is derived from our restated financial statements certified by the Statutory Auditors of the Company.

1. Basic Earnings Per Equity Share (EPS) (on Face value of Rs. 10 per share)

Year	Earnings per Share (Rs.)	Weight
FY 2011-12	(0.04)	1
FY 2012-13	0.07	2
FY 2013-14	0.14	3
Weighted Average	0.09	



- EPS Calculations have been done in accordance with Accounting Standard 20-“Earning per Share” issued by the Institute of Chartered Accountants of India.
- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period. Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- The weighted average number of Equity Shares outstanding during the period is adjusted for events of bonus issue.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2. Price / Earnings Ratio (P/E) in relation to the Issue Price Rs. 15.00

- Based on fiscal year as on 31st March, 2014; at EPS of Rs. 0.14 as per Restated Financial Statements, the P/E ratio is 107.14.
- Industry PE:

Industry- Finance & Investments	P/E
Highest	582.9
Lowest	5.3
2Industry Composite	17.9

*Source: Capital Market Volume XXIX/09 June 23 - July 06, 2014; Finance & Investments

3. Return on Net Worth

Year	RONW (%)	Weight
FY 2011-12	(0.42)	1
FY 2012-13	0.74	2
FY 2013-14	0.29	3
Weighted Average	0.32	

4. Minimum return on post Issue Net Worth to maintain the Pre-issue EPS at 31st March, 2014 is 0.96 %.

5. Net Asset Value per Equity Share

Sr. No.	Particulars	(Rs.)
a)	As on 31 st March, 2014	14.13
b)	After Issue	14.38
c)	Issue Price	15.00

6. Peer Group Comparison of Accounting Ratios

We are currently engaged in the business of brokerage services and the peer group comparison of accounting ratio is as below:

Name of Company	Face Value (Rs.)	EPS (Rs.)	P/E Multiple	NAV (Rs.)	RONW (%)
Naysaa Securities Limited	10	0.14	107.14	14.13	0.29



Name of Company	Face Value (Rs.)	EPS (Rs.)	P/E Multiple	NAV (Rs.)	RONW (%)
Peer Group-					
DB International Stock Broking	2	1.3	53.4	10.3	22.6
LKP Finance	10	5.8	11.0	129.7	4.8

**Source: Capital Market Volume XXIX/09 June 23 - July 06, 2014; Finance & Investments*

7. The face value of our shares is Rs.10/- per share and the Issue Price is of Rs. 15 per share is 1.5 (One & Half) times of the face value.
8. The Company in consultation with the Lead Manager believes that the Issue Price of Rs. 15.00 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 Auditors' Report in the offer Document to have more informed view about the investment proposition.



NAYSAA SECURITIES LIMITED

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Naysaa Securities Limited
102/104, Shivam Chambers,
S.V. Road, Goregaon (W),
Mumbai - 400062

Dear Sirs,

Sub: Statement of possible tax benefits available to the Company and its shareholders on proposed Right Issue of Shares under the existing tax laws

We hereby confirm that the enclosed Annexure, prepared by Naysaa Securities Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income-tax Act, 1961 ('IT Act') and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

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

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

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

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change. We shall not be liable to Naysaa Securities Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

Thanking you,
Yours faithfully,
For Dimple N Punmiya
Chartered Accountants
Sd/-
(Dimple N Punmiya)
M. Mo. 123082
Place: Mumbai
Date: 24th June 2014



ANNEXURE

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

A) SPECIAL TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

I. Special Benefits available to Our Company

There are no special tax benefits available to the Company.

II. Special Benefits available to the Shareholders of Our Company

There are no special tax benefits available to the Equity Shareholders.

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

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

Under the Income-Tax Act, 1961 (“the Act”):

I. Benefits available to the Company

1. Depreciation

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

2. Dividend Income

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

3. Income from Mutual Funds / Units

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

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

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

Income received in respect of units from the specified company.

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

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

4. Income from Long Term Capital Gain

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

For this purpose, “Equity Oriented Fund” means a fund -

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



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

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

Book Profit	A.Y.-2013-14	A.Y.-2014-15
If book profit is less than or equal to Rs. 1 Crore	19.055%	19.055%
If book profit is more than Rs. 1 Crore but less than Rs. 10 Crores	20.01%	20.01%
If book profit is more than Rs. 10 Crores	20.96%	20.96%

5. 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.

6. As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).

7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

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

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

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

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

9. Preliminary Expenses

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



10. Credit for Minimum Alternate Taxes (“MAT”)

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

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

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

1. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

2. Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.

3. 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.

4. As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.

5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

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

- (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
- (ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.



7. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

8. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

9. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head –Profits and Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

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

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.

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

3. 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.

4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

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

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

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



5. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

6. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

7. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:

(i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessional tax at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).

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

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

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

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

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

**IV. Foreign Institutional Investors (FIIs)**

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.

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

3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of income & Rate of tax (%)

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

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

4. In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

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

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

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

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

7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the



country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

V. Venture Capital Companies/Funds

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

VI. Mutual Funds

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

Under the Wealth Tax Act, 1957

Benefits to shareholders of the Company

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

Tax Treaty Benefits

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

Notes:

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



SECTION IV

ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Industry Overview

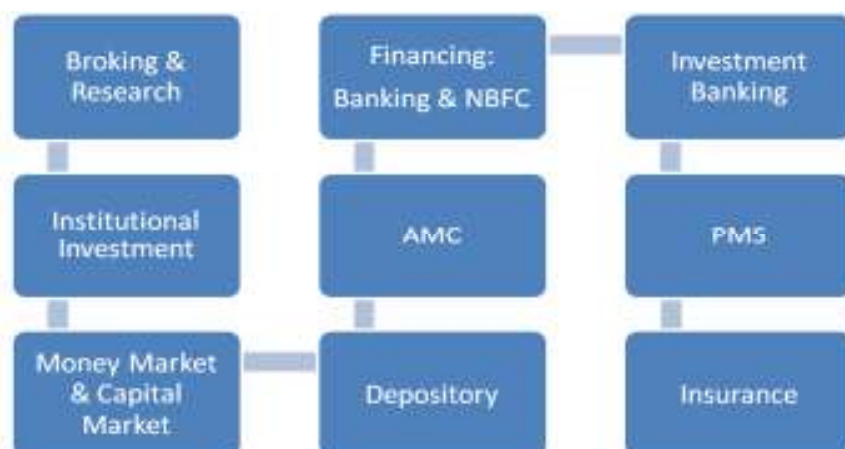
The securities market achieves one of the most important functions of channeling idle resources to productive resources or from less productive resources to more productive resources. Hence in the broader context the people who save and investors who invest focus more towards the economy's abilities to invest and save respectively. This enhances savings and investments in the economy, the two pillars for economic growth. The Indian Capital Market has come a long way in this process and with a strong regulator it has been able to usher an era of a modern capital market regime. The past decade in many ways has been remarkable for securities market in India. It has grown exponentially as measured in terms of amount raised from the market, the number of listed stocks, market capitalisation, trading volumes and turnover on stock exchanges, and investor population. The market has witnessed fundamental institutional changes resulting in drastic reduction in transaction costs and significant improvements in efficiency, transparency and safety.

Overview of the Indian Economy

India is the fourth largest economy in the world after the European Union, United States of America and China in purchasing power parity terms, with an estimated Gross Domestic Product ("GDP") (purchasing power parity) of U.S.\$ 4.46 trillion in 2011 (Source: CIA World Factbook 2011). India rebounded from the global financial crisis, largely because of strong fundamentals and robust banking policies, posting a GDP growth of 7.8% in 2011.

Indian Financial Services Sector

The financial sector in India is characterized by liberal and progressive policies, vibrant equity and debt markets and prudent banking norms. India's financial sector has been one of the fastest growing sectors in the economy. India has a financial system that is regulated by independent regulators in the sectors of banking, insurance, capital markets etc. India. The Indian financial sector attributes its growth to technology up gradation, consolidation of large broking houses, evolution of e-broking business, growth in retail segment, regulatory reforms, diversified asset instruments and foreign investment participation. There is huge growth potential in the Indian financial sector. Sectors such as banking, asset management and brokerage have been liberalized to allow private sector involvement, which has contributed to the development and modernization of the financial services sector. This is particularly evident in the nonbanking financial services sector, such as equities, derivatives and commodities brokerage, residential mortgage and insurance services, where new products and expanding delivery channels have helped these sectors achieve high growth rates.





Dependence on Securities Market

Three main sets of entities depend on securities market - the corporates, the government & households. While the corporates and governments raise resources from the securities market to meet their obligations, the households invest their savings in securities.

Primary Market & Secondary Market

The securities market has two interdependent and inseparable segments, the new issues (primary) market and the stock (secondary) market. The primary market provides the channel for creation and sale of new securities, while the secondary market deals in securities previously issued. The Stock market or Equities market is where listed securities are traded in the secondary market. Currently more than 1300 securities are available for trading on the Exchange. There are two major types of issuers who issue securities. The corporate entities issue mainly debt and equity instruments (shares, debentures, etc.), while the governments (central and state governments) issue debt securities (dated securities, treasury bills). The two major exchanges, namely the NSE and the BSE provide trading of securities.

Indian Capital Markets

The origination of the Indian securities market may be traced back to 1875, when 22 enterprising brokers under a Banyan tree established the Bombay Stock Exchange (BSE). Over the last 125 years, the Indian securities market has evolved continuously to become one of the most dynamic, modern and efficient securities markets in Asia. Today, Indian markets conform to international standards both in terms of structure and in terms of operating efficiency. *Structure and size of the markets* Today India has two national exchanges, the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). Each has fully electronic trading platforms. Growth of Stock Broking Capital markets all over the world are witnessing major changes. With escalating interests of domestic and international players in India, there is an increasing demand for a more systematic approach. SEBI is also trying to bring transparency in the dealings. Economic growth and liberalisation has opened number of opportunities in various organisations like mutual funds, investment consultancy, broker firms, insurance companies, merchant banks, pension funds and other financial institutions. Foreign institutional investors, mutual funds and even individuals have once again started posing confidence in the capital markets. This has enhanced prospects for brokers, investment and equity analysts. They can also start their own consultancies. Stock exchanges to some extent play an important role as indicators, reflecting the performance of the country's economic state of health. There are three main factors behind the changes in the stock-broking business. First, the shift from floor-based to screenbased trading in 1994. This brought transparency into trade execution and raised the confidence of investors. The result has been lower transaction charges and increased convenience. This has helped both the investors and the brokers. The second change was dematerialisation. Before this, buying or selling shares was a difficult matter. Even when an investor bought shares, he was not sure whether they would be transferred in his name. But now these concerns are no longer there. The introduction of futures and options was the third major factor that has changed the face of the stockbroking business as it is a new avenue for revenue. (Source: *The Hindu Business Line*)

Stocks in India had a negative performance during the month of October 2012. India Stock Market (SENSEX) declined 373 points or 2.00 percent during the last 30 days. Historically, from 1979 until 2012, India Stock Market (SENSEX) averaged 5419 Index points reaching an all time high of 21005 Index points in November of 2010 and a record low of 113 Index points in December of 1979. The SENSEX (BSE30) is a major stock market index which tracks the performance of 30 major companies listed on the Bombay Stock Exchange. The companies are chosen based on the liquidity, trading volume and industry representation. The SENSEX is a free-float market capitalization-weighted index. The Index has a base value of 100 as of 1978-79.

Wider Scope of Activities

The stock brokers in India have broadened their scope of activities. Equity broking business being cyclical, many players are also entering new areas of activity. Apart from mere broking (buying and selling) of stocks the big players in the industry are concentrating on other aspects like research, portfolio management services, commodity and derivative trading and distribution of financial products including mutual funds and insurance



schemes, 33 Expansion Mode BUOYED by booming stock markets and growing retail interest in equity and equity-related investments, Indian stock broking firms are on an expansion drive to increase their network into more cities and towns to lure clients into stock investments.

The Derivative Market

One of the outstanding features of the Indian Capital Market in recent years is the growth of the equity derivative market. Indian stock exchanges have already started with efforts at building a modern, transparent, well regulated derivative market. Other aspects of the market such as the increasing sophistication and range of tradable financial products add to the attractiveness of the market as a whole. The availability of derivative products including index futures, index options, individual stock futures and individual stock options re-enforces the overall attractiveness of this market to foreign and domestic investors. The derivatives market in only two years has shown spectacular growth. India's experience with the equity derivatives market has been extremely positive. The derivatives turnover on the NSE has surpassed the equity market turnover. The turnover of derivatives on the NSE increased from 23,654 million in 2000-2001 to 292,482,211 million in 2010-2011, and reached 157,585,925 million in the first half of 2011-2012. The average daily turnover in these market segments on the NSE was 1,151,505 million in 2010-2011 compared to 723,921 in 2009-2010.

India is one of the most successful developing countries in terms of a vibrant market for exchange traded derivatives. This reiterates the strengths of the modern development in India's securities markets, which are based on nationwide market access, anonymous electronic trading, and a predominant retail market. There is an increasing sense that the equity derivatives market plays a major role in shaping price discovery.



OUR BUSINESS

In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Naysaa Securities Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 9 and "Industry Overview" on page 59.

BUSINESS OVERVIEW

Our Company was originally incorporated at Mumbai as "Naysaa Securities Private Limited" on 19th October, 2007 under the provisions of the Companies Act, 1956. Our Company was converted in to a Public Limited Company and consequently the name was changed to "Naysaa Securities Limited" vide fresh certificate of incorporation dated 5th February, 2014 issued by the Registrar of Companies, Mumbai, Maharashtra.

We are offering wide range of products & services covering equity broking and F&O to all kinds of investors viz. Retail, high net worth individuals and corporate. We are headquartered at Mumbai and we operate through our registered office.

We are a diversified financial services company in India offering a wide range of products & services covering equity broking and equity derivatives to all kinds of investors viz. retail, high net worth individuals and corporate. Our Company is led by Mr. Vikram Jayantilal Lodha and Mr. Jayantilal Hansraj Lodha who are veteran in the financial markets and have steered the growth of the Company.

We are members of Capital Market Segment & Trading Member of Futures & Options Segment of BSE Ltd. We have also applied for trading membership of National Stock Exchange of India Limited. Our business philosophy is always customer oriented and the services are offered under total confidentiality and integrity with the sole purpose of maximizing returns to clients.

Our customer base is a mix of high net worth, and retail investors. This diversified base of customers together with its wide gamut of services provides with the necessary stability and strength to weather the volatility much better than its competitors and maintain high customer service levels throughout. Our Company meets the support needs of this investor base through execution skill sets driven by an experienced sales team and research backed advice generated by a team of experienced analyst.

OUR STRENGTHS

- ***An integrated financial services platform***
We offer our clients an integrated financial services platform by offering various financial services and products covering equity broking and equity derivatives. Our integrated service platform allows us to leverage relationships across the lines of businesses and our industry and product knowledge by providing multi-channel delivery systems to our client base, thereby increasing our ability to cross-sell our services.
- ***Diversified services***
We believe that our wide range of products and services enables us to build stronger relationships with our clients and increase business volumes of our company. We continue to explore opportunities to build new businesses and widen our product portfolio by adding other products and services, where we can leverage our experience. We believe that our presence in diverse lines of business of financial services enables us to mitigate risks arising from product and client concentration.
- ***Diversified client base***
We serve more than 107 clients in our broking division alone and are not dependent on small set of high net worth individuals but have exposure to a well-diversified client base ranging from retail investors to HNI. We constantly revamp our risk management system in order to avoid any margin shortfall on broking clients or on funding clients. We have deployed adequate policy based monitoring and squaring off not only for mass retail but also for high net worth clients. This helps us in protecting our capital during adverse market movements and also sustains our financial performance.



- ***Experienced Management***

We believe that our senior management and our talented and experienced Team are the principal reason for the growth of our Company. We believe that the extensive experience and financial acumen of our management and staff facilitates us with a significant competitive advantage.

- ***Growing client base built on well-recognized brand***

Our Company believes in maintaining long term relationships with our clients. Our dedicated efforts is to focus on client service and our ability to provide timely solutions enables us to resolve customer complaints, if any well in time. This has helped us to establish long-term relationships with high net worth individual clients. This has helped us to receive repeated business from our clients. We also believe that because of our timely trade execution, competitive pricing and customer service, we enjoy goodwill amongst our customers. The number of registered clients in our Equity Broking and Equity Derivatives is growing at a rapid pace, which we believe gives an indication of the substantial strength of our business activities.

OUR STRATEGY

- ***To become a Member of National Stock Exchange Limited***

At present, in the equity segment, we are member of Capital Market Segment & Trading Member of Futures & Options Segment of BSE Ltd. Going forward, we propose to become deposit based member of National Stock Exchange of India Limited in capital market as well as Futures & Options Segment. We sense that dual membership of BSE as well as NSE would enable ourselves to provide complete value chain for our clients. We have already applied to National Stock Exchange of India Limited for acquisition of membership.

- ***Continue to build a diversified business platform***

Our Company intends to continue to build a diversified business platform by identifying business opportunities with long term prospects for growth and profitability and offering products and services across a broad spectrum of financial services. We believe that this will enable us to maintain growth and profitability notwithstanding market cycles by limiting our dependence on any particular line of business.

- ***Consolidating our position in existing lines of business***

Our Company offers various financial services and products covering equity broking, F & O and equity derivatives. We plan to increase the number of client relationships and then leverage those client relationships into offering in a whole suite of financial products. We intend to maintain high growth and profitability by increasing the scope and intensity of activities in our existing lines of business by introducing new products and also intend to start new lines of business. We will continue to focus on advising our investor clients on attractive investment opportunities based upon emerging themes in the economy and the capital markets, backed by our independent research.

- ***Client Service***

Our strategy is to provide the most convenient, efficient and value added services to the client at the lowest possible cost and offers the clients with choice and varied access points. We believe that our multiple channel strategy has been particularly effective in the affluent segment where many sophisticated clients like to have an office close-by.

- ***Attracting and retaining the highest quality professionals.***

Our people are our most important asset, and it is their reputation, talent, integrity and dedication that results in our success. We offer an entrepreneurial culture with a strong, team-based approach which we believe is attractive to our employees. We have been successful in attracting and retaining key professionals and intend to continue to seek out talent to further enhance and grow our business.

**OUR BUSINESS STREAMS****BROKING**

We are members of BSE and primarily offer secondary market broking services to the retail customers and high net worth individuals. Our dedicated dealers and advisors provide personalized trade and execution services to active traders, retail investors and high net worth investors. As on March, 2014, we have approx 107 registered clients. Our trading turnover in both cash and derivatives segment, which is presented in following table:

Particulars	For the year ended 31 st March 2012	For the year ended 31 st March 2013	For the period ended 31 st March 2014
Trading turnover - Cash Equity (Rs. in Crores)	82.38	26.96	50.34
Trading Turnover - Equity Derivatives (Rs. in Lacs)	5.20	-	-

RISK MANAGEMENT

We believe that effective risk management is of primary importance to the success of our operations. Accordingly, we have deployed necessary resources in terms of technology, people and processes to monitor, evaluate and manage the principal risks we assume in conducting our activities which include market, credit & liquidity, operational, legal and reputation risks.

We analyze factors and reasons causing risk on a periodic basis, plan for control of identified risks, decide on and implement appropriate risk management tools and monitor policies and procedures with the view of continuous improvement.

TECHNOLOGY AND NETWORK SUPPORT SYSTEM

We recognize the need to have a sophisticated technology network in place to meet our customer needs, reduce processing costs and maintain a risk management system. Our technology infrastructure is aimed at ensuring that our trading and information systems are reliable and performance enhancing and that client data are protected.

Our Company intends to upgrade its existing technology infrastructure further. The upgrades would include replacing the existing trading and database servers with high-end servers considering the increased volumes. The customers are savvy and demanding. Our Company will offer more products such as web trading and reporting. Customer Relationship Management system too would be put in place.

As business grows, there would be a growing need to put in place a more sophisticated risk management and monitoring system. The back office systems too will need to be modernized to cater to a larger client base and distributed processing demands. From compliance point of view, our Company put in places a data mine and systems for the same. Disaster recovery being the need of the hour for continuous and uninterrupted flow of operations is proposed to be set up.

COMPETITION

We face the competition in all the operations. Our competitors are other broking firms and financial advisory firms. We compete with some of our competitors nationally and with others on a regional, product or business line basis. Many of our competitors have substantially large capital base and resources than we do and offer a broader range of financial products and services. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products. In recent years there has been substantial consolidation and convergence among companies in the financial services industry. This trend toward consolidation and convergence has significantly increased the capital base and geographic reach of many of our competitors. Many of our competitors



have the ability to offer a wider range of products and services that may enhance their competitive position. They may also have the ability to support securities products and services with commercial banking, insurance and other financial services capabilities in an effort to gain market share, which could result in pricing pressure in our businesses. We have experienced intense price competition like discounts in large block trades and trading commissions and spreads. The ability to execute trades electronically through the Internet and through other alternative trading systems has increased the pressure on trading commissions and spreads. We believe that this trend toward alternative trading systems will continue. Our ability to continue to compete effectively in our businesses will depend upon our continued ability to attract new professionals and retain and motivate our existing professionals.

EXPORT POSSIBILITY AND OBLIGATION

Our Company doesn't have any export obligation as we are not exporting any material.

SWOT

Strengths

- Transparent functioning
- Innovative I. T solutions for customers
- Emphasis on building stronger bond with customers
- Services offered include Equity Trading, IPO and Investment Advisory
- Competent management team
- Focus on quality and service

Weaknesses

- Lack of PAN India presence
- Indians are mostly conservative and prefer investing in Gold and Real Estate

Opportunities

- High purchasing power and people looking to more investment opportunities
- Growing rural market
- Earning Urban Youth

Threats

- Stringent Economic measures by Government and RBI
- Entry of foreign firms in Indian Market

EMPLOYEES

As on 31st March, 2014 we employed approximately 7 persons on a full-time basis.

PROPERTIES

The details of properties owned / leased are as follows:

Sr. No.	Location	Title (Leased /Owned)	Agreement Valid From	Agreement Valid till
1	102/104, Shivam Chambers, S.V. Road, Goregaon (W), Mumbai - 400062	Leased	01.04.2014	28.02.2015



Note 1: Interest in Property by our Promoters and Promoter Group

Our registered office situated at 102/104, Shivam Chambers, S.V. Road, Goregaon (W), Mumbai - 400062 is on lease for eleven (11) months starting from 01/04/2014. The office is taken on lease from one of our Promoter and Director i.e. Mr. Jayantilal Hansraj Lodha, for a monthly rental of Rs. 15,000/- who is deemed to be interested to the extent of lease rent received by him from our Company.

Note 2: Purchase of Property

We have not entered into any agreement to buy/sell any property with the promoters or Director or a proposed director who had any interest direct or indirect during the preceding two years.

INSURANCE

Our Company has availed of stock brokers' indemnity policies and comprehensive crimes and liabilities policy which provide coverage against Infidelity of Employees, Computer Crime Indemnity, Legal Liability, Counterfeit Securities along with Covering Risk of Final Receiving Member, Loss of Securities and/or Cash. The policy is obtained from HDFC ERGO General Insurance Company Limited for Indemnity Basic Limit of Rs. 5 Lacs and every loss over and above the compulsory excess i.e. 5% of claim amount subject to minimum of Rs.25000/- for each and every loss. The period for which the aforesaid risk covered is from 01.06.2014 to 31.05.2015 (both as inclusive).

INTELLECTUAL PROPERTY

There is no Intellectual Property.



KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, Government of Maharashtra and the respective bye laws framed by the local bodies in Mumbai, and others incorporated under the laws of India.

The information detailed in this chapter has been obtained from the various legislations and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below are not 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.

Dealing in Securities:

Securities regulation in India takes place under the provisions of the Securities Contracts Regulations Act, 1956 with Rules and Regulations (SCRA), Securities Exchange Board of India Act, 1992 (SEBI), the Depositories Act, 1996 and the rules and regulations promulgated there under. The main legislations governing the securities market are as follows:

(a) **SEBI Act, 1992:** The SEBI Act, 1992 establishes SEBI with statutory powers for (a) protecting the interests of investors in securities, (b) promoting the development of the securities market, and (c) regulating the securities market. Its regulatory jurisdiction extends over corporates in the issuance of capital and transfer of securities, in addition to all intermediaries and persons associated with securities market. It can conduct enquiries, audits and inspection of all concerned and adjudicate offences under the Act. It has powers to register and regulate all market intermediaries and also to penalize them in case of violations of the provisions of the Act, Rules and Regulations made there under. SEBI has full autonomy and authority to regulate and develop an orderly securities market.

(b) **Securities Contracts (Regulation) Act, 1956:**

The SCRA seeks to prevent undesirable transactions in securities by regulating the business of dealing in securities and other related matters. The SCRA provides for grant of recognition for stock exchanges by the Central Government. Every recognized stock exchange is required to have in place a set of rules relating to its constitution and bye-laws for the regulation and control of contracts.

The bye-laws normally provide *inter alia* for:

- (i) the opening and closing of markets and the regulation of the hours of trade;
- (ii) the fixing, altering or postponing of days for settlements;
- (iii) the determination and declaration of market rates, including the opening, closing highest and lowest rates for securities;
- (iv) the terms, conditions and incidents of contracts, including the prescription of margin requirements, if any, and conditions relating thereto, and the forms of contracts in writing;
- (v) the regulation of the entering into, making, performance, recession and termination of contracts, including contracts between members or between a member and his constituent.

(c) **Stock Broker Regulations:**

Further, the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 provides the eligibility criteria and conditions required to be satisfied in order to obtain the certificate of registration. They further provide the procedure for obtaining the certificate of registration to carry on business as a stock broker and/or a sub-broker who is required to be affiliated to a stock broker registered under the aforesaid regulations. On registration, the stockbroker and sub-broker are required to adhere to a code of conduct prescribed under the Stock Broker Regulations. In addition, a stock broker and/or a sub-broker is required to abide by the rules, regulations and bye-laws of the stock exchange or stock exchanges of which it is a member. Further, in case of any change in its status or constitution, the stock broker and/or the sub-broker are



required to obtain the prior permission of SEBI in order to continue to buy, sell or deal in securities in any stock exchange.

Apart from the registration of stockbrokers and sub-brokers, the Stock Broker Regulations provide for registration of trading and clearing members. A trading member is a member of the derivatives exchange or derivatives segment of a stock exchange and who settles the trade in the clearing corporation or clearing house through a clearing member. A clearing member is a member of a clearing corporation or clearing house of the derivative exchange or derivatives segment of an exchange, which clears and settles transactions in securities.

(d) Insider Trading Regulations:

The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time (“**Insider Trading Regulations**”) govern the law with respect to insider trading in India. The Insider Trading Regulations *inter alia* prohibit all insiders from dealing in securities of a listed company when the insider is in possession of unpublished price sensitive information (“**UPSI**”). It further prohibits an insider from communicating, counselling or procuring, directly or indirectly, any UPSI to any person who while in possession of such UPSI is likely to deal in such securities. Information is said to be price sensitive if it is likely to materially affect the price of the securities of the company to which it relates.

Under the Insider Trading Regulations, the concept of an “insider” is related to those of a connected person and a deemed connected person. A person is said to be connected to a company when he or she is a director, employee or officer in the company or stands in a professional or business relationship with the company and when he or she may reasonably be expected to have access to UPSI and includes *inter alia* market intermediaries, Merchant Bankers, share transfer agents, registrars to an issue, debenture trustees, brokers, Portfolio Managers, investment advisors. The Insider Trading Regulations further provide that all listed companies and organisations associated with the securities market including *inter alia* intermediaries as defined under the SEBI Act, asset management companies, trustees of mutual funds etc. should frame a code of internal procedures and conduct based on the Model Code of Conduct specified under the Insider Trading Regulations.

(e) Fit and Proper Person Criteria:

The criteria for determination of whether an entity can be registered under any of the above regulations are governed by the SEBI (Criteria for Fit and Proper Person) Regulations, 2004. The Company is also required, as an intermediary, to be registered under the SEBI (Central Database of Market Participants) Regulations, 2003.

(f) Companies Act, 2013: It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. It also regulates underwriting, the use of premium and discounts on issues, rights and bonus issues, payment of interest and dividends, supply of annual report and other information.

Depository Regulations:

a) The Depositories Act: The Depositories Act, 1996 (as amended from time to time) provides for regulation of depositories in securities and other related matters. Every person subscribing to securities offered by an issuer has the option either to receive the security certificates or hold securities with a depository. All securities held by a depository are required to be dematerialised and in a fungible form. A depository after obtaining a certificate of commencement of business from SEBI can enter into an agreement with one or more participants as its agent. Any person, through a participant, may enter into an agreement with any depository for availing its services.



- b) **Depository Regulations:** The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time (“Depository Regulations”) provide *inter alia* the eligibility criteria and the procedure for obtaining the certificate of registration to carry on business as a depository participant. They also provide the various rights and obligations of the depository participants. On registration, the depository participant is required to adhere to a code of conduct prescribed under the Depository Regulations.

The depository is deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of a beneficial owner. The depository does not have any voting rights or any other rights in respect of securities held by it. The beneficial owner of the securities is entitled to all the rights and benefits and is subjected to all the liabilities in respect of his securities held by a depository.

Transfer of Property:

- a) **Transfer of Property Act, 1882:** The transfer of property is governed by the Transfer of Property Act, 1882 (“T.P. Act”). The T.P. Act establishes the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.
- b) **Registration Act, 1908:** The Registration Act, 1908 (“Registration Act”) has been enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. Section 18 of the Registration Act provides for non-compulsory registration of documents as enumerated in the provision.
- c) **The Easements Act, 1882:** The law relating to easements is governed by the Easements Act, 1882 (“Easements Act”). The right of easement is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land not his own. Under this law an easement may be acquired by the owner of immovable property, i.e. the “dominant owner”, or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom.
- d) **Indian Stamp Act, 1899:** The Indian Stamp Act, 1899 (“Stamp Act”) and the relevant State Stamp Acts provide for the imposition of stamp duty at specified rates on instruments listed in Schedule I of the Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are inadmissible in a court of law and have no evidentiary value. Public officials have the power to impound such documents and if the executor wants to rectify them, he may have to pay a penalty of up to 10 times the original stamp value.

Laws relating to Employment:

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



- b) **Labour Laws:** Various labour laws, including the Contract Labour (Regulation and Abolition) Act, 1970, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

Intellectual Property:

The Trademarks Act, 1999, The Patents Act 1970 and the Copyright Act, 1957 *inter alia* govern the law in relation to intellectual property, including patents, copyrights, trademarks, service marks, brand names, trade names and research works.

Tax Related Legislations:

Income-tax Act, 1961

The Income-tax Act, 1961 ("IT Act") is applicable to every Company, whether domestic or foreign whose income is Taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by 30th September of each assessment year.

Service Tax

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

General:

The Indian Contract Act, 1872

The Indian 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 breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract.

Registrations under the applicable Shops & Commercial Establishments Acts of the respective States in which Our Company has an established place of business/ office ("Shops Act")

The Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn functions under the supervision of Labour Commissioner.

The Companies Act, 1956 & 2013

The Act deals with laws relating to companies and certain other associations. 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.



Regulation of Foreign Investment in India

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") which prohibit, restrict and regulate, transfer or issue of securities, to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the "automatic route" within the specified sectoral caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.



OUR HISTORY AND CORPORATE STRUCTURE

HISTORY & BACKGROUND

Our Company was originally incorporated at Mumbai as “Naysaa Securities Private Limited” on 19th October, 2007 under the provisions of the Companies Act, 1956. Our Company was converted in to a Public Limited Company and consequently the name was changed to “Naysaa Securities Limited” vide fresh certificate of incorporation dated 5th February, 2014 issued by the Registrar of Companies, Mumbai, Maharashtra.

We are offering wide range of products & services covering equity broking and F&O to all kinds of investors viz. retail, high net worth individuals and corporate.

We are members of Capital Market Segment & Trading Member of Futures & Options Segment of BSE Limited. Our business philosophy is always customer oriented and the services are offered under total confidentiality and integrity with the sole purpose of maximizing returns to clients.

We have applied for membership of Capital Market Segment & Trading Member of National Stock Exchange of India Limited on 10th September, 2013.

The Registered Office and Corporate office of our Company is situated at 102/104, Shivam Chambers, S.V. Road, Goregaon (W), Mumbai - 400062.

MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

1. To acquire or to take membership in any of the recognized stock exchange in India or out side India and to trade, exchange, deal, swap, assure, underwrite, guarantee, give comfort for pledge, hypothecation, charge, mortgage, procure or mobilize funds for or arrange placement of or otherwise engage in India or abroad in trade in instruments of all kinds and types including shares, stocks, securities, debentures, debentures stocks, bonds, units, saving certificates, preference shares, certificates of deposits, commercial papers, participation certificates, bills of exchange, letters to credit, promissory notes, whether negotiable or not, factoring of debts, Government securities or other financial instruments or obligations and securities issued or guaranteed by the body corporate whether established in India or elsewhere and to act as portfolio managers, fund managers, asset managers, securities and investment consultants and generally in all other securities as defined under Securities Contract (Regulation) Act, 1956 and any other applicable enactment / rule in force from time to time.

CHANGES IN THE MEMORANDUM OF ASSOCIATION

The following changes have been made in the Memorandum of Association of our Company since inception:

DATE	AMENDMENT
10 th July, 2010	Increase in Authorized Share Capital of the Company from Rs. 1.00 Lacs divided into 10,000 Equity Shares of Rs. 10 each to Rs. 30.00 Lacs divided into 3,00,000 Equity shares of Rs. 10 each.
14 th October, 2013	Increase in Authorized Share Capital of the Company from Rs. 30.00 Lacs divided into 3,00,000 Equity Shares of Rs. 10 each to Rs. 4.40 Crore divided into 44,00,000 Equity shares of Rs. 10 each.



MAJOR EVENTS AND MILESTONES

YEAR	PARTICULARS
October, 2007	Incorporation of the Company in the name and style of “Naysaa Securities Private Limited”
October, 2010	Obtained Certificate of Registration from SEBI for conducting trading activities with Bombay Stock Exchange Limited for both Capital Market and Derivative Segments.
February, 2014	The Company was converted in to a Public Limited Company and consequently the name was changed to “Naysaa Securities Limited”

HOLDING COMPANY OF OUR COMPANY

Our Company has no holding company as on the date of filing of the Prospectus.

SUBSIDIARY OF OUR COMPANY

There is no subsidiary of our Company as on the date of filing of the Prospectus.

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of filing of the Prospectus.

OTHER AGREEMENTS

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of the Prospectus.

COLLABORATION

Our Company has not entered into any collaboration with any third party as per regulation (VIII) B (1) (c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009.

STRATEGIC PARTNER

Our Company does not have any strategic partner as on the date of filing of the Prospectus.

FINANCIAL PARTNER

Our Company does not have any financial partner as on the date of filing of the Prospectus.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Prospectus.

NUMBER OF SHAREHOLDERS

Our Company has Thirty (30) shareholders on date of the Prospectus.



OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than twelve (12) Directors. Our Company currently has Four (4) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
1. Mr. Vikram Jayantilal Lodha S/o Mr. Jayantilal Hansraj Lodha 302, Neelmani II, Bapu Bhai Vashi Road, Vile Parle (W), Mumbai - 400056 Occupation: Business Nationality: Indian Tenure: Three years w. e. f. 01 st June, 2014 DIN: 01773529	35 Yrs	Whole Time Director	1. Vikram Shares & Stock Broking Private Limited
2. Mr. Jayantilal Hansraj Lodha S/o Mr. Hansraj Sagarmal Lodha 302, Neelmani II, Bapu Bhai Vashi Road, Vile Parle (W), Occupation: Business Nationality: Indian Tenure: Retire by Rotation DIN: 01804241	62 Yrs	Non-executive Non Independent Director	N.A.
3. Mr. Paras Thakor Shah S/o Mr. Thakor Jagmohandas Shah A/44, Padma Nagar, Behind Chintamani Plaza, Andheri Kurla Road, Chakala, Andheri (E), Mumbai - 400099 Occupation: Service Nationality: Indian Tenure: Retire by Rotation DIN: 06843650	38 Yrs	Non-Executive & Independent Director	N.A.
4. Mr. Abhishek Ashok Shastri S/o Mr. Ashok Ramvallabh Shastri D-50, Hastiraj Soc, Bapubhai Vashi Road, Vile Parle (W), Mumbai - 400056 Occupation: Service Nationality: Indian Tenure: Retire by Rotation DIN: 06901599	35 Yrs	Non-Executive & Independent Director	N.A.

Note:

As on the date of the Prospectus:

1. None of the above mentioned Directors are on the RBI List of willful defaulters as on date.



2. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Prospectus or (b) delisted from the stock exchanges.

3. None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

DETAILS OF DIRECTORS

Mr. Vikram Jayantilal Lodha: aged 35 years, is the Promoter and Whole Time Director of our Company. He is Second Year B.com by qualification. He has more than 10 years of experience in finance and capital market. He is responsible for managing day to day affairs of our Company. He has been on the Board of Directors of our Company since incorporation.

Mr. Jayantilal Hansraj Lodha: aged 62 years, is the Promoter and Director of our Company. He holds bachelor degree in Science. He has more than 30 years of experience in finance, debt and capital market. He has been on the Board of Directors of our Company since incorporation.

Mr. Paras Thakor Shah: aged 38 years, is an Independent Director of our Company. He is SSC by qualification. He has more than 15 years of experience in capital market. He has been on the Board of our Company since March, 2014.

Mr. Abhishek Ashok Shastri: aged 35 years is an Independent Director of our Company. He is HSC by qualification. He has 10 years of experience in finance filed.

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 Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such company.

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

NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

Sr. No.	Name of the Directors	Family Relationship among Directors
1.	Mr. Jayantilal Hansraj Lodha	Father of Mr. Vikram Jayantilal Lodha
2.	Mr. Vikram Jayantilal Lodha	Son of Mr. Jayantilal Hansraj Lodha

BORROWING POWERS OF THE DIRECTORS

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on 2nd June, 2014 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 20 Crores.

**TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS**

Name	Mr. Vikram Jayantilal Lodha
Designation	Whole Time Director
Period	Appointed for Three years with effect from 1 st June, 2014
Date of Appointment	Board Meeting dated 2 nd June, 2014
Remuneration	<p>a) Remuneration Up to Rs. 35,000/- p.m. (Rupees Thirty Five Thousand Only) with such annual increments / increases as may be decided by the Nomination and Remuneration Committee from time to time.</p> <p>b) Perquisites</p> <ul style="list-style-type: none"> • Free use of the Company's car for Company's work along with driver. • Telephone, telefax and other communication facilities at Company's cost for Official purpose. • Subject to any statutory ceiling/s, the appointee may be given any other allowances, perquisites, benefits and facilities as the Remuneration Committee / Board of Directors from time to time may decide. <p>c) Valuation of perquisites Perquisites/allowances shall be valued as per the Income Tax rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.</p> <p>d) Minimum Remuneration In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment. Appointee shall subject to the approval of the Central Government, if required, be paid remuneration by way of salaries and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in section IV of the Schedule V to the Companies Act, 2013, from time to time.</p>
Remuneration paid in FY 31st March, 2014	NIL

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

NON - EXECUTIVE DIRECTORS

Currently, non-executive Directors are not being paid sitting fees

CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.



We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has Four (4) Directors. We have one (1) executive non-independent director, one (1) non-executive non-independent director and two (2) independent non-executive directors. The Chairman of the Board is Mr. Vikram Jayantilal Lodha being Whole Time Director. The constitution of our Board is in compliance with the requirements of Clause 52 of the Listing Agreement.

The following committees have been formed in compliance with the corporate governance norms:

- A) Audit Committee
- B) Stakeholders relationship Committee
- C) Nomination and Remuneration Committee

AUDIT COMMITTEE

Our Company has constituted an audit committee ("**Audit Committee**"), as per the provisions of Section 177 of the Companies Act, 2013 and Clause 52 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 30th April, 2014 and re-constituted on 18th June, 2014.

The terms of reference of Audit Committee complies with the requirements of Clause 52 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises following three (3) directors. Mr. Paras Thakor Shah is the Chairman of the Audit Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Paras Thakor Shah	Chairman	Independent Director
2.	Mr. Abhishek Ashok Shastri	Member	Independent Director
3.	Mr. Vikram Jayantilal Lodha	Member	Executive & Non Independent Director

Role of Audit Committee

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. 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.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings



- e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 12. 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.
 13. Discussion with internal auditors any significant findings and follow up there on.
 14. 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.
 15. 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.
 16. 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.
 17. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 20. Mandatorily reviews the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
 21. Review the Financial Statements of its subsidiary company, if any.
 22. Review the composition of the Board of Directors of its Subsidiary Company, if any.
 23. Review the Vigil mechanism (whistle blowing) policy.
 24. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

STAKEHOLDERS RELATIONSHIP COMMITTEE / INVESTORS GRIEVANCE COMMITTEE

Our Company has constituted a Stakeholders relationship Committee / investors grievance committee (***"Stakeholders relationship committee / Investors Grievance Committee"***) to redress the complaints of the shareholders. The Stakeholders relationship Committee /Investors Grievance Committee was constituted vide



resolution passed at the meeting of the Board of Directors held on 30th April, 2014 and re-constituted on 18th June, 2014. The committee currently comprises of three (3) Directors. Mr. Paras Thakor Shah is the Chairman of the Stakeholders relationship Committee / Investors Grievance committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Paras Thakor Shah	Chairman	Independent Director
2.	Mr. Abhishek Ashok Shastri	Member	Independent Director
3.	Mr. Vikram Jayantilal Lodha	Member	Executive & Non Independent Director

Role of shareholders/investors grievance committee

The Shareholders / Investors Grievance Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

NOMINATION AND REMUNERATION COMMITTEE

Our Company has constituted a nomination and remuneration committee ("**Nomination and Remuneration Committee**"). The Nomination and Remuneration Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 30th April, 2014 and re-constituted on 18th June, 2014. The committee currently comprises of three (3) Directors. Mr. Paras Thakor Shah is the Chairman of the remuneration committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Paras Thakor Shah	Chairman	Independent Director
2.	Mr. Abhishek Ashok Shastri	Member	Independent Director
3.	Mr. Jayantilal Hansraj Lodha	Member	Non Executive & Non Independent Director

The terms of reference of the remuneration committee are as follows:

- The remuneration committee recommends to the board the compensation terms of the executive directors.
- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

**Policy on Disclosures 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 shares on the Stock Exchange. Our Company Secretary and Compliance Officer, Ms. Nishi A Baig is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

SHAREHOLDING DETAILS OF THE DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. The following table details the shareholding of our Directors as on the date of this Prospectus:

Name of the Directors	No. of Equity Shares	Pre-Issue percentage Shareholding
Mr. Jayantilal Hansraj Lodha	447000	18.05
Mr. Vikram Jayantilal Lodha	947700	36.26

INTEREST OF DIRECTORS

All the Directors of our Company may be deemed to be interested to the extent of sitting fees and/or other remuneration if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses if any payable to them under the Articles of Association. All the Directors may also be deemed to be interested in the Equity Shares of our Company, if any, held by them, their relatives or by the companies or firms or trusts in which they are interested as directors / members / partners or that may be subscribed for and allotted to them, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any other company in which they have direct /indirect interest or any partnership firm in which they are partners.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

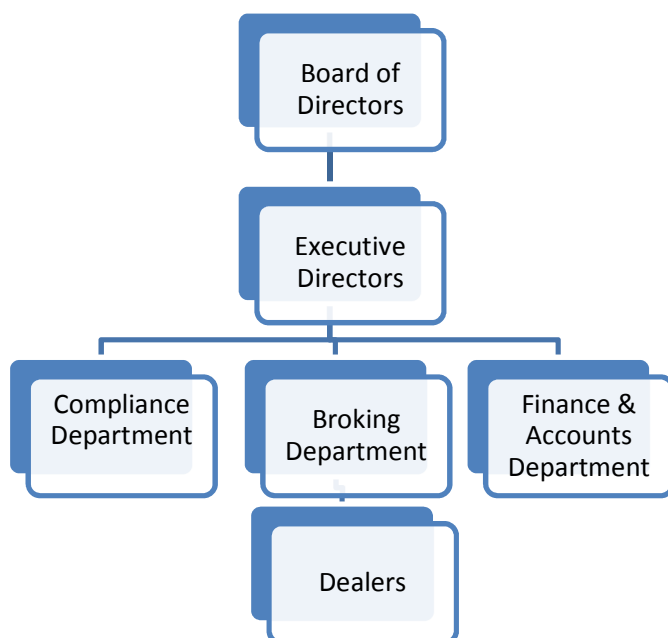
PROPERTY INTEREST

Except as disclosed in the section titled "Our Business" on page 62, our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE (3) YEARS

The changes in the Directors during last three (3) years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mrs. Meghana Vikram Lodha	19/10/2007	11/11/2013	Resignation due to preoccupation
Mrs. Manju Jayantilal Lodha	19/10/2007	28/03/2014	Resignation due to preoccupation
Mr. Paras Thakor Shah	20/03/2014	-	Appointment as Additional Director
Mr. Bipin Motilal Rathod	20/03/2014	-	Appointment as Additional Director
Mr. Bipin Motilal Rathod	20/03/2014	18/06/2014	Resignation due to preoccupation
Mr. Abhishek Ashok Shastri	18/06/2014	-	Appointment as Additional Director

**ORGANISATION STRUCTURE****KEY MANAGERIAL PERSONNEL**

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of finance/ capital market and corporate laws.

The following key personnel assist the management of our Company:

Name	Date of Joining	Designation	Functional Responsibilities	Qualification
Ms. Mansi Chawhan	16 th February, 2009	Chief Financial Officer	Accounting, Finance controls and management of cash flows	B.Com & LLB
Ms. Geeta Devrani	1 st February 2013	Senior Accountant	Accounting, Maintaining employees record	M.Com
Mr. Pradeep Awasarmol	1 st June, 2010	Back Office Operation	Uploading client trading accounts, updating of pay-in pay out, back office system	B.A.
Mr. Chirag Pitharia	1 st June 2013	Dealer	Bolt operation	B.Com
Mr. Manoj Pawar	1 st March 2014	Dealer	Bolt operation	HSC



Name	Date of Joining	Designation	Functional Responsibilities	Qualification
Ms. Nishi A Baig	16 th June, 2014	Company Secretary & Compliance Officer	Drafting of agreements, drafting of resolutions, preparation of minutes & compliance of the provisions of the Companies Act, 1956.	ACS

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

Ms. Mansi Chawhan, is Chief Financial Officer - Accounting, Finance & Administration of our company. She is bachelor of Commerce and Law graduate by qualification. She supervises and controls overall Accounts and Finance Functions. She is associated with our Company since February, 2009.

Ms. Geeta Devrani, is the Senior Accountant of our Company. She is Master of Commerce by qualification. She is associated with our Company since February, 2013.

Mr. Pradeep Awasarmol, is bachelor of Art by qualification. He is associated with our Company since July, 2010.

Mr. Chirag Pitharia, is bachelor of Commerce by qualification. He is associated with our Company since June, 2013.

Mr. Manoj Pawar, is associated with our Company since March, 2014.

Ms. Nishi A Baig is Company Secretary & Compliance Officer of our Company. She is an associate member of Institute of Companies Secretaries of India. She is associated with our Company from June, 2014. Her scope of work and responsibilities includes vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act, 2013.

FAMILY RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

As on date, none of the key managerial persons is having family relation with each other.

ALL OF KEY MANAGERIAL PERSONNEL ARE PERMANENT EMPLOYEE OF OUR COMPANY

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

As on date, none of the key managerial personnel holds any Equity Shares of our Company.

BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL

There is no profit sharing plan for the Key Managerial Personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

LOANS TO KEY MANAGERIAL PERSONNEL

There are no loans outstanding against Key Managerial Personnel as on 31st March, 2014.



CHANGES IN KEY MANAGERIAL PERSONNEL OF OUR COMPANY DURING THE LAST THREE (3) YEARS

There are no changes in the Key Managerial Employees of the Issuer during the last three (3) years.

Name	Date of Appointment	Date of Cessation	Reason
Ms. Geeta Devrani	February, 2013	-	Appointment
Mr. Chirag Pitharia	June, 2014	-	Appointment
Mr. Manoj Pawar	March, 2014	-	Appointment
Ms. Nishi A Baig	June, 2014	-	Appointment

EMPLOYEES STOCK OPTION SCHEME

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Prospectus.

PAYMENT OR BENEFIT TO OUR OFFICERS


Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.

**OUR PROMOTERS****OUR PROMOTERS**

The Promoters of our Company are:

1. Mr. Jayantilal Hansraj Lodha
2. Mr. Vikram Jayantilal Lodha


DETAILS OF OUR PROMOTERS ARE AS UNDER**1. Mr. Jayantilal Hansraj Lodha**

	Mr. Jayantilal Hansraj Lodha , aged 62 years, is the Promoter and Director of our Company. He holds bachelor degree in Science. He has vast experience in finance, debt and capital market. He has been on the Board of Directors of our Company since incorporation For further details relating to Mr. Jayantilal Hansraj Lodha, including address and other directorships, see the section titled “Our Management” on page 74 of Prospectus.
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Identification

Name	Mr. Jayantilal Hansraj Lodha
Permanent Account Number	AAAPL4610K
Passport No.	Z2082830
Voter ID	N.A.
Driving License	N.A.
Bank Account Details	064010100148238 Axis Bank Limited

2. Mr. Vikram Jayantilal Lodha

	Mr. Vikram Jayantilal Lodha , aged 35 years, is the Promoter and Whole Time Director of our Company. He is Second Year B.com by qualification. He has more than 10 years of experience in finance and capital market. He is responsible for managing day to day affairs of our Company. He has been on the Board of Directors of our Company since incorporation. For further details relating to Mr. Vikram Jayantilal Lodha, including address and other directorships, see the section titled “Our Management” on page 74 of Prospectus.
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Identification

Name	Mr. Vikram Jayantilal Lodha
Permanent Account Number	AACPL7295A
Passport No.	Z113774
Voter ID	N.A.
Driving License	N.A.
Bank Account Details	0640101000085931 Axis Bank Limited

OTHER UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the details of Permanent Account Number, bank account number and passport number of the Promoters will be submitted to the SME platform of BSE Exchange, where the securities of our Company are proposed to be listed at the time of submission of Prospectus.



COMMON PURSUITS OF OUR PROMOTERS

Our Promoters do not have any common pursuits and are not engaged in the business similar to those carried out by our Company.

INTEREST OF THE PROMOTERS

Interest in the promotion of our Company

Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by themselves as well as their relative and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either of them are interested as a director, member or partner. In addition, our Promoters, being Director may be deemed to be interested to the extent of fees, if any, payable for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses, if any, payable under our Articles of Association and to the extent of remuneration, if any, paid for services rendered as an officer or employee of our Company as stated in section titled “*Our Management*” on page 74 of this Prospectus.

Interest in the property of our Company

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

Interest as Member of our Company

As on the date of this Prospectus, our Promoters together hold 1628400 Equity Shares of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company and benefits as provided in the section titled ‘*Terms of appointment and compensation of our Directors*’ on page 76, our Promoters does not hold any other interest in our Company.

Also see “*Our Management-Interest of Directors*” on page 80 of Prospectus.

PAYMENT AMOUNTS OR BENEFIT TO OUR PROMOTERS DURING THE LAST TWO YEARS

No payment has been made or benefit given to our Promoters in the two years preceding the date of the Prospectus except as mentioned / referred to in this chapter and in the section titled ‘*Our Management*’, ‘*Financial Information*’ and ‘*Capital Structure*’ on page nos. 74, 91 and 33 respectively of this Prospectus. Further as on the date of the Prospectus, there is no bonus or profit sharing plan for our Promoters.

CONFIRMATIONS

For details on litigations and disputes pending against the Promoters and defaults made by them, please refer to the section titled “*Outstanding Litigation and Material Developments*” on page 111 of the Promoters. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them.

RELATED PARTY TRANSACTIONS

Except as disclosed in the section titled “*Related Party Transactions*” beginning on page 89, our Company has not entered into any related party transactions with our Promoters.

**OUR PROMOTER GROUP / GROUP COMPANIES / ENTITIES****PROMOTER GROUP INDIVIDUALS**

The following natural persons (being the immediate relative of our Promoter) form part of our Promoter Group:

Relatives of Promoters:

Relationship	Mr. Jayantilal Hansraj Lodha	Mr. Vikram Jayantilal Lodha
Spouse	Mrs. Manju Jayantilal Lodha	Mrs. Meghna Vikram Lodha
Father	Mr. Hansraj Sagarmal Lodha	Mr. Jayantilal Hansraj Lodha
Mother	Mrs. Indiraben Hansraj Lodha	Mrs. Manju Jayantilal Lodha
Brother	1. Mr. Dalpatraj Lodha 2. Mr. Sampat Lodha 3. Mr. Narendra Lodha 4. Mr. Ashok Lodha 5. Mr. Paras Lodha 6. Mr. Prakash Lodha	Mr. Nilesh Jayantilal Lodha
Sister	Mrs. Lalita Parmar	-
Son	Mr. Vikram Jayantilal Lodha Mr. Nilesh Jayantilal Lodha	Mater Ishaan Lodha
Daughter		Naysaa Lodha

PROMOTER GROUP COMPANIES AND ENTITIES

As specified in clause 2 (zb) of the SEBI Regulation, the companies, HUFs, partnership firms and other entities, that form part of our Promoter Group are as follows:

LISTED COMPANIES WITHIN OUR PROMOTER GROUP

There is no listed Company in our Promoter Group.

UNLISTED COMPANIES WITHIN OUR PROMOTER GROUP

Vikram Shares & Stock Broking Private Limited is sole unlisted company within our Promoter Group and the details of Vikram Shares & Stock Broking Private Limited are as below:-

Vikram Shares & Stock Broking Private Limited was incorporated on 12th June, 2008 under Registrar of Companies, Mumbai, Maharashtra. The Registered Office of the Company is located at 102/104, Shivam Chambers, S.V. Road, Goregaon (W); Mumbai - 400062. The CIN of the Company is U65999MH2008PTC183465.

Main Object of the Company:

To buy, sell, trade, exchange, deal, swap, borrow, lent, assure, underwrite, guarantee, give comfort for pledge, hypothecation, charge, mortgage, procure or mobilize funds or arrange placement of or otherwise engage in India or abroad in trade in instruments of all kinds and types, whether securitized or not, including shares, stock, securities, debentures, debentures stocks, bonds, units, cash certificates, saving certificates, cumulative convertible preference shares, certificated of deposits, commercial papers, participation certificates, bills of exchange, letters of credit, promissory notes, cheques whether negotiable or not, factoring of debts, Government securities or other financial instruments or obligations and securities issued or guaranteed by the body of corporate whether established in India or elsewhere, authority whether Central, State or Local undertaking



whether public or private, to act as portfolio manager, fund manager, asset manager, securities and investment consultants, custodian for securities and assets and share transfer agents, all kinds of units, coupons, warrants and such other derivative products, issued or to be issued by companies and generally in all other securities as defined under Securities Contract (Regulation) Act, 1956 and any other applicable enactment/rule in force time to time.

Board of Directors:

Sr. No.	Name of the Directors	Designation
1.	Mr. Vikram Jayantilal Lodha	Director
2.	Mrs. Meghana Vikram Lodha	Director

Financial Performance

The brief financials of Vikram Shares & Stock Broking Private Limited for the last three (3) years based on audited financial statements are as under:

(Rs. in Lacs except per share data)

Particulars	For the Financial year ended (Rs. In Lacs)		
	31st March, 2013	31st March, 2012	31st March, 2011
	(Audited)	(Audited)	(Audited)
Total Income	38.56	2584.46	3392.55
Profit/(Loss) after Tax	(10.11)	(5.42)	0.09
Share Capital (Equity)	1.00	1.00	1.00
Reserves and Surplus (excluding revaluation reserve)	(17.73)	(7.20)	-
Earnings Per Share (in Rs.)	(101.00)	(54.17)	0.92
Face Value per Share (in Rs.)	10	10	10

Shareholding

The List of shareholders of Vikram Shares & Stock Broking Private Limited is tabled as under:

Name of shareholder	No. of shares	% of Total Paid Up Capital
Mr. Vikram Jayantilal Lodha	5000	50.00
Mrs. Meghana Vikram Lodha	5000	50.00
Total	10000	100.00

Vikram Shares & Stock Broking Private Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

COMMON PURSUITS

The Promoters do not have any common pursuits and are not engaged in the business similar to those carried out by our Company.

LITIGATION/ DEFAULTS

For details relating to legal proceedings involving the Promoters and Members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 111 of this Prospectus.

DISASSOCIATION WITH COMPANIES/FIRMS BY THE PROMOTERS OF OUR COMPANY DURING THE PRECEDING THREE (3) YEARS

Our Promoters have not disassociated with any of entity during the preceding three (3) years.



INTEREST OF PROMOTER GROUP COMPANIES

Our Promoter Group companies are interested parties to the extent of their shareholding in the Company, if any dividend and distributions which may be made by the Company in future and to the extent of the related party transactions disclosed in the section titled “*Related Party Transactions*” beginning on page 89 of the Prospectus.

RELATED BUSINESS TRANSACTION WITHIN THE GROUP AND SIGNIFICANCE ON FINANCIAL PERFORMANCE

There is no business transactions between our Company and the Promoter Group Companies except as stated on page 89 under section titled as “*Related Party Transactions*”.

SALE OR PURCHASE BETWEEN OUR COMPANY AND OUR PROMOTER GROUP COMPANIES

There are no sales or purchases between our Company and any company in the Promoter Group exceeding 10% of the sales or purchases of our Company.

SICK COMPANIES

There are no Companies in our group listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies. The Promoter Group Companies do not have negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

CONFIRMATION

Our Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoter or Group Companies has a negative net worth as of the date of the respective last audited financial statements.



NAYSAA SECURITIES LIMITED

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure 13 of restated financial statement under the section titled “*Financial Information*” on page 105 of the Prospectus.



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 in the preceding five financial years.

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 Information of Our Company Auditors' Report

To,
The Board of Directors,
Naysaa Securities Limited.
102/104, Shivam Chambers,
S.V. Road, Goregaon (West),
Mumbai-400 062

Dear Sirs,

We have examined the Financial Information of **Naysaa Limited** (the Company') described below and annexed to this report for the purpose of inclusion in the offer document. The Financial Information has been prepared in accordance with the requirements of Companies Act ('the Act'), The Securities and Exchange Board of India (SEBI)- Issue of Capital and Disclosure Requirements Regulations, 2009 ('ICDR Regulations') notified on August 26, 2009, the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and in terms of the engagement agreed upon by us with the Company.

The Financial Information has been approved by its Board of Directors and Audit Committee of Board of Directors.

Company proposes to make an Initial Public Offer (IPO) for the fresh issue of equity shares having a face value Rs 10/- each at a price of Rs. 15 Per Share.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Naysaa Securities Limited, we, M/s. Ramanand & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

Audit for the financial year ended 31st March, 2010, 2011, 2012, 2013 and 2014 was conducted by Dimpal N Punmiya, Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them.

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year ended March 31, 2010, 2011, 2012, 2013 and 2014 which have been approved by the Board of Directors.

A. Financial Information as per Audited Financial Statements:

We have examined:

- a. the attached Statement of Assets and Liabilities, as Restated as at year ended March 31, 2010, 2011, 2012, 2013 and 2014 (Annexure 1);
- b. the attached Statement of Profits and Losses, as Restated for the year ended March 31, 2010, 2011, 2012, 2013 and 2014 (Annexure 2);
- c. the attached Statement of Cash Flows, as Restated for the year ended March 31, 2010, 2011, 2012, 2013 and 2014 (Annexure 3);
- d. the significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure 4);

(Collectively hereinafter referred as "Restated Financial Statements")



The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year ended March 31, 2010, 2011, 2012, 2013 and 2014 which have been approved by the Board of Directors.

Based on our examination and in accordance with the requirements of the Act, ICDR Regulations, we state that:

- Restated Statement of Assets and Liabilities of the Company as at March 31, 2010, 2011, 2012, 2013 and 2014 are as set out in Annexure 1, which are after making such material adjustments and regroupings as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Profits and Losses of the Company for the year ended March 31, 2010, 2011, 2012, 2013 and 2014 are as set out in Annexure 2, which have been arrived at after making such material adjustments and regroupings to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Cash Flows of the Company for the year ended March 31, 2010, 2011, 2012, 2013 and 2014 are as set out in Annexure 3 after making such material adjustments and regroupings;
- Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments.
- Adjustments in Financial Statements has been made in accordance with the correct accounting policies
- There was no change in accounting policies, which needs to be adjusted in the "Restated Financial Statements".
- There are no revaluation reserves, which need to be disclosed separately in the "Restated Financial Statements".
- There are no audit qualifications in the "Restated Financial Statements".

B. Other Financial Information:

We have also examined the following Financial Information relating to the Company, which is based on the Restated Financial Statements and approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the Offer Document:

1. Statement of Details of Reserves & Surplus as at March 31, 2010, 2011, 2012, 2013 and 2014 as set out in **Annexure 5** to this report.
2. Statement of Accounting Ratios for the year ended on March 31, 2010, 2011, 2012, 2013 and 2014 as set out in **Annexure 6** to this report.
3. Capitalization Statement as at March 31, 2014 as set out in **Annexure 7** to this report.
4. Statement of Tax Shelters for the year ended on March 31, 2010, 2011, 2012, 2013 and 2014 as set out in **Annexure 8** to this report.
5. Statement of Long Term Borrowings as at March 31, 2010, 2011, 2012, 2013 and 2014 as set out in **Annexure 9** to this report.
6. Statement of Trade Payables as at March 31, 2010, 2011, 2012, 2013 and 2014 as set out in **Annexure 10** to this report.
7. Statement of Details of Trade Receivables as at March 31, 2010, 2011, 2012, 2013 and 2014 as set out in **Annexure 11** to this report.
8. Statement of Details of Deposits / Long Term Loans and Advances as at March 31, 2010, 2011, 2012, 2013 and 2014 as set out in **Annexure 12** to this report.



9. Statement of Details of Related Party Transactions as at March 31, 2010, 2011, 2012, 2013 and 2014 as set out in **Annexure 13** to this report.

In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 13 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI Guidelines and the Guidance Note on the reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

This report should not in any way be construed as a reissuance or redating of the previous audit report, nor should this be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Ramanand & Associates.
Chartered Accountants
Firm Registration No.-117776W
Sd/-
Ramanand Gupta
Partner
Membership No. 103975

Place: Mumbai
Date: 23rd June, 2014



ANNEXURE-01

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Equity & Liabilities					
Shareholders' Funds					
Share Capital	247.68	30.00	30.00	30.00	1.00
Reserve & Surplus	105.59	10.78	10.48	10.65	10.66
Total (A)	353.27	40.78	40.48	40.65	11.66
Non Current Liabilities					
Long Term Borrowings	19.63	142.42	58.91	105.91	101.20
Share Application Money Pending Allotment	-	-	-	-	-
Deferred Tax Liabilities / (Assets)	0.31	0.14	0.04	-	-
Total (B)	19.94	142.56	58.95	105.91	101.20
Current Liabilities					
Short Term Borrowings	-	-	-	-	-
Trade Payables	37.63	3.49	39.52	47.55	0.07
Other Current Liabilities	0.44	0.02	0.45	0.39	
Short Term Provisions	0.33	0.43	0.45	0.30	4.39
Total (C)	38.40	3.94	40.42	48.24	4.46
Total (D=A+B+C)	411.61	187.28	139.85	194.80	117.32
Assets					
Fixed Assets	0.71	0.88	1.41	1.48	0.23
Deposits / Long Term Loans & Advances	239.50	106.99	93.76	141.58	111.81
Preliminary Expenses (To the extent not written off)	3.42	-	-	-	
Total (E)	243.63	107.87	95.17	143.06	112.04
Current Assets					
Trade Receivables	28.93	76.20	38.79	43.41	0.54
Inventories of Shares / Securities	23.64	-	-	-	3.70
Cash & Bank Balances	113.97	3.00	5.89	8.33	1.04
Short Term Loans & Advances	1.44	0.21	-	-	
Total (F)	167.98	79.41	44.68	51.74	5.28
Total (G=E+F)	411.61	187.28	139.85	194.80	117.32



ANNEXURE-02

STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Income					
Sale of Shares / Securities	684.13	2,673.04	868.71	1,139.34	7,209.40
Brokerage / Commission	8.54	2.56	4.10	3.54	-
Other Income	15.60	1.70	1.63	0.94	3.11
Total	708.27	2,677.30	874.44	1,143.82	7,212.51
Expenditure					
Purchases of Shares / Securities	706.30	2,665.14	865.04	1,124.28	7,195.79
Changes in Inventories of Shares / Securities	(23.64)	-	-	3.70	3.78
Employees Benefit Expenses	3.81	3.76	4.03	4.11	5.90
Administrative, Selling & Other Expenses	8.38	6.53	4.77	10.72	6.87
Total	694.85	2,675.43	873.84	1,142.81	7,212.34
Profit before Depreciation, Interest and Tax	13.42	1.87	0.60	1.01	0.17
Depreciation & Amortisation Expenses	0.37	0.53	0.73	0.48	0.16
Profit before Interest & Tax	13.05	1.34	(0.13)	0.53	0.01
Finance Cost	11.55	0.85	-	0.53	-
Net Profit before Tax	1.50	0.49	(0.13)	(0.00)	0.01
Less: Provision for Taxes:					
Current Tax	0.30	0.10	-	-	0.00
Deferred Tax	0.17	0.09	0.04	-	-
Net Profit After Tax & Before Extraordinary Items	1.03	0.30	(0.17)	(0.00)	0.01
Extra Ordinary Items (Net of Tax)	-	-	-	-	-
Net Profit	1.03	0.30	(0.17)	(0.00)	0.01



ANNEXURE-03

STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
CASH FLOW FROM OPERATING ACTIVITIES					
Net profit after taxes	1.03	0.30	(0.17)	(0.00)	0.01
Adjustment for:					
Add: Depreciation & Amortisation Expenses	0.37	0.53	0.73	0.48	0.16
Add: Expenses Written Off	(0.05)	-	-	-	-
Add: Interest & Finance Charges	11.55	0.85	-	0.53	-
Operating Profit before Working capital changes	12.90	1.68	0.56	1.01	0.17
Adjustments for:					
Decrease (Increase) in Trade Receivables	47.27	(37.41)	4.62	(42.87)	(0.54)
Decrease (Increase) in Inventories	(23.64)	-	-	3.70	3.78
Decrease (Increase) in Short Term Loans & Advances	(1.23)	(0.21)	-	-	-
Decrease (Increase) in Deposits / Long Term Loans & Advances	(132.51)	(13.23)	47.82	(29.77)	101.75
Increase (Decrease) in Short Term Borrowings	-	-	-	-	-
Increase (Decrease) in Trade Payables	34.14	(36.03)	(8.03)	47.48	-
Increase (Decrease) in Other Current Liabilities	0.42	(0.43)	0.06	0.39	-
Increase (Decrease) in Short Term Provisions	(0.10)	(0.02)	0.15	(4.09)	-
Increase (Decrease) in Deferred Tax Liabilities	0.17	0.10	0.04	-	-
Net Changes in Working Capital	(75.48)	(87.23)	44.66	(25.16)	104.99
Net Cash Flow from Operating Activities (A)	(62.58)	(85.55)	45.22	(24.15)	105.16
CASH FLOW FROM INVESTING ACTIVITIES					
Sale / (Purchase) of Fixed Assets	(0.20)	-	(0.66)	(1.73)	(0.01)
Net Cash Flow from Investing Activities (B)	(0.20)	-	(0.66)	(1.73)	(0.01)
CASH FLOW FROM FINANCING ACTIVITIES					
Issue of share capital	311.51	-	-	29.00	-
Increase / (Repayment) of Share Application Money	-	-	-	-	-
Interest & Finance Charges	(11.55)	(0.85)	-	(0.53)	-
Preliminary Expenses Incurred	(3.42)	-	-	-	-
Increase / (Repayment) of Long Term Borrowings	(122.79)	83.51	(47.00)	4.71	(105.17)
Net Cash Flow from Financing Activities (C)	173.75	82.66	(47.00)	33.18	(105.17)
Net Increase / (Decrease) in Cash & Cash Equivalents	110.97	(2.89)	(2.44)	7.30	(0.02)
Cash and cash equivalents at the beginning of the year	3.00	5.89	8.33	1.04	1.06
Cash and cash equivalents at the end of the year/ Period	113.97	3.00	5.89	8.34	1.04



ANNEXURE-04

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT**A. SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of Preparation of Financial Statements**

- a. The Restated Financial Information for the year ended 31st March 2010, 31st March, 2011, 31st March 2012, 31st March, 2013 and 31st March, 2014 has been extracted by the management of the Company from the audited financial statements of the company for the year ended 31st March 2010, 31st March 2011, 31st March 2012, 31st March, 2013 and 31st March 2014.
- b. The Restated Financial Information are after making adjustments/ restatements and regrouping as necessary in accordance with paragraph B(1) of Part II of Schedule II of The Companies Act, 1956 and SEBI Regulations.
- c. The Financial Statements have been prepared under Historical Cost conventions and in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, Companies (Accounting Standard) Rules, 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act, 1956.
- d. The company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

2. Use of Estimates

The preparation of Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets and intangible assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.

3. Fixed Assets and Depreciation

- i. Fixed Assets are shown at historical cost inclusive of incidental expenses less accumulated depreciation.
- ii. Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956.
- iii. Depreciation on fixed assets sold during the year, is provided on pro-rata basis with reference to the date of addition/deletion.

4. Revenue Recognition

- i. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except in the case of dividend income, debenture interest and interest receivable from/payable to government on tax refunds/late payment of taxes, duties/levies which are accounted for on cash basis.
- ii. Brokerage income earned on secondary market operation is accounted on settlement date.

5. Investments

Investments in Quoted as well as unquoted are stated at Cost.

6. Impairment of Assets

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of



estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

7. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

8. Taxation

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date the company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

09. Leases

Finance Lease

Leases which effectively transfer to the company all the risks and benefits incidental to ownership of the leased item, are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income life of the assets at the following rates

Operating Lease

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

10. Preliminary Expenses

Preliminary expenses are amortized as per applicable income tax rules.

11. Earnings per Share

In determining the Earnings Per share, the company considers the net profit after tax includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earning per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

12. Contingent Liabilities & Provisions

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

a) Possible obligation which will be confirmed only by future events not wholly with in the control of the company or

b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made.

c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**13. Foreign Exchange Transactions**

- (i) Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions.
- (ii) Foreign Exchange monetary items in the Balance Sheet are translated at the year-end rates. Exchange differences on settlement / conversion are adjusted to Profit and Loss Account.

B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS/PERIODS COVERED IN THE RESTATED FINANCIALS.

There is no change in significant accounting policies during the reporting period except, as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

C. NOTES ON RESTATED FINANCIAL STATEMENTS**NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS**

(Rs. in Lacs)

Financial Year ended	March, 31st 2014	March, 31st 2013	March, 31st 2012	March, 31st 2011	March, 31st 2010
Profit after tax as per Audited Statement of Account(A)	1.03	0.30	(0.17)	(0.00)	0.01
Adjustments	-	-	-	-	-
Profit after tax as per Restated Profit & Loss(A)	1.03	0.30	(0.17)	(0.00)	0.01

(III) OTHER NOTES**General**

1. The Company has been incorporated as “Naysaa Securities Private Limited” on 19th October, 2007 and converted from Private Limited to Public Limited Company on 5th February, 2014.

2. Details of Deferred Tax assets and liabilities:

In view of the Accounting Standard 22 issued by Institute of Chartered Accountants of India, the significant component and classification of deferred tax liability/asset because of timing difference comprises of the following:

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
On account of Difference between book and Tax Depreciation	0.14	0.04	-	-	-
On Account of timing difference in recognition of expenditures	0.17	0.10	0.04	-	-
Deferred Tax Liability / (Asset)	0.31	0.14	0.04	-	-

3. Details of Dues to Micro enterprises and Small enterprises:

Under the Micro, Small and Medium Enterprise Development Act, 2006 certain disclosure is required to be made related to micro, small and medium enterprise. The company does not have any transaction with micro, small and medium enterprise defined under the act and hence there are no amounts due to such undertakings.

4. Segment Reporting

The company operates only in one reportable business segment namely share and stock broking and other related ancillary services. Hence there are no reportable segments under Accounting Standard -17. During the



years/period under report the Company was engaged in its business only within India. The conditions prevailing in India being uniform no separate geographical disclosures are considered necessary.

5. In the opinion of the Board, subject to the debts considered doubtful, Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
6. The company is not having any earning / Expenditure in Foreign Currency.
7. Earnings per Share
The details of Earnings per Share as per AS-20 are provided in Annexure 06.
8. Related Party Transactions:
The details of Related Party Transactions as per AS-18 are provided in Annexure 13.
9. The figures in the Restated Financials are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.



ANNEXURE- 05

STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Securities Premium	-	-	-	-	-
Add: Issue of Equity Shares	103.82	-	-	-	-
Less: Utilized for Bonus Issue	10.00	-	-	-	-
Net Securities Premium (A)	93.82	-	-	-	-
Profit / (Loss) Brought Forward	10.79	10.49	10.66	10.66	10.65
Add: Profit / (Loss) for the Year	1.03	0.30	(0.17)	(0.00)	0.01
Less: Utilized for Misc. Exp.	0.05	-	-	-	-
Profit / (Loss) Carried Forward (B)	11.77	10.79	10.49	10.66	10.66
Reserves & Surplus (A+B)	105.59	10.79	10.49	10.66	10.66

ANNEXURE- 06

STATEMENT OF ACCOUNTING RATIOS

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Networth (A)	349.85	40.78	40.48	40.65	11.66
Net Profit after Tax (B)	1.03	0.30	(0.17)	(0.00)	0.01
No. of Shares outstanding at the end [F.V Rs.10] (C)	24,76,750	3,00,000	3,00,000	3,00,000	10,000
Weighted average number of shares outstanding (Excluding Bonus Shares) [F.V Rs.10] (D)	6,43,648	3,00,000	3,00,000	2,00,685	10,000
Bonus Shares (D)	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
Weighted average number of shares outstanding Post Bonus Shares [F.V Rs.10] (F)	7,43,648	4,00,000	4,00,000	3,00,685	1,10,000
Earnings per Share (EPS) (B / F) (Rs.)	0.14	0.07	(0.04)	(0.00)	0.01
Return on Networth (B / A)	0.29%	0.74%	(0.42)%	0.00%	0.05%
Net Assets Value per Share (A / C)	14.13	13.59	13.49	13.55	116.60

Definitions of key ratios:

I. Earnings per share (Rs.): Net Profit attributable to equity shareholders / weighted average number of equity shares outstanding as at the end of the year / period. Earnings per share are calculated in accordance with Accounting Standard 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India.

II. Return on Net Worth (%): Net Profit after tax / Net worth as at the end of the year / period.



III. Net Asset Value (Rs.): Net Worth at the end of the year / Number of equity shares outstanding at the end of the year / period.

IV. Net Profit, as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

V. In case of a bonus issue after the Balance Sheet date but before the date on which the Financial Statements are approved by the Board of Directors', the per share calculations for those Financial statements and any prior period Financial Statements presented are based on the new no. of shares. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

ANNEXURE- 07

CAPITALIZATION STATEMENT

(Rs. In Lacs)

Particulars	Pre-issue as at 31 st March, 2014	Post Issue *
Borrowing		
Short - Term Debt	-	
Long - Term Debt	19.63	
Total Debt	19.63	
Shareholders' Funds		
Share Capital		
- Equity	247.68	
Less: Calls - in - arrears	-	
- Preference	-	
Reserves & Surplus	105.59	
Less: Preliminary Expenses (To the extent not written off)	3.42	
Total Shareholders Funds	349.85	
Long - Term Debt / Shareholders Fund	0.06	
Short - Term Debt / Shareholders Fund	-	

* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares in the IPO.



ANNEXURE- 08

STATEMENT OF TAX SHELTERS

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Profit before tax as per Restated P/L	1.50	0.49	(0.13)	(0.00)	0.01
Applicable Corporate Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%
Tax at Notional Rate	0.46	0.15	(0.04)	(0.00)	0.00
Adjustments					
Difference between Tax Depreciation and Book Depreciation	(0.16)	(0.11)	0.15	0.30	(0.02)
Exempted Income and Its Expenses	-	-	-	-	-
Disallowance	-	-	-	-	-
Items Chargeable at special rates	-	-	-	-	-
Other Items	0.68		-	-	-
Set off of Business Losses / Unabsorbed Depreciation	-	0.28	-	-	-
Net Adjustments	0.52	0.17	0.15	0.30	(0.02)
Tax Saving thereon	0.16	0.05	0.05	0.09	(0.01)
Tax Saving to the the extent of Tax at Notional Rate	0.16	0.05	(0.04)	(0.00)	(0.01)
Tax Payable [A]	0.30	0.10	-	-	0.01
Tax Payable on items chargeable at special rates [B]	-	-	-		-
Total Tax Payable [C=A+B]	0.30	0.10	-	-	0.01
Tax Rebates [D]	-	-	-	-	-
Net Tax Payable [E=C-D]	0.30	0.10	-	-	0.01

ANNEXURE- 09

STATEMENT OF DETAILS OF LONG TERM BORROWINGS

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
<u>Secured Loans</u>					
Term Loan from Kotak Mahindra Bank	-	90.92	-	-	-
<u>Unsecured Loans*</u>					
From Promoter/Group Companies and Directors	19.63	51.50	58.91	85.91	81.20
From Others	-	-	-	20.00	20.00
Total	19.63	142.42	58.91	105.91	101.20

* Unsecured Loans, repayable on demand



ANNEXURE- 10

STATEMENT OF DETAILS OF TRADE PAYABLES

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Sundry Creditors	37.63	3.49	39.52	47.55	0.07
Total	37.63	3.49	39.52	47.55	0.07

ANNEXURE- 11

STATEMENT OF DETAILS OF TRADE RECEIVABLES

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
(A) Unsecured, Considered good outstanding for a period less than six months					
Others	28.93	76.20	24.18	21.34	0.54
Amount due from Promoter/Group Companies and Directors	-	-	14.61	22.07	-
(B) Unsecured, Considered good outstanding for a period more than six months					
Others	-	-	-	-	-
Amount due from Promoter/Group Companies and Directors	-	-	-	-	-
Total	28.93	76.20	38.79	43.41	0.54

ANNEXURE- 12

STATEMENT OF DETAILS OF DEPOSITS LONG TERM LOANS & ADVANCES

(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
Deposits with Stock Exchanges	30.00	30.00	30.00	30.00	-
Misc. Advances	208.48	75.91	62.57	111.45	104.92
Advances to Clearing Corporations	1.03	1.02	1.02	-	-
Advance Tax / TDS Etc.	-	0.06	0.17	0.12	6.89
Total	239.51	106.99	93.76	141.57	111.81



ANNEXURE-13

STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS

(Rs. In Lacs)					
Particulars	31.03.14	31.03.13	31.03.12	31.03.11	31.03.10
REVENUE ITEMS :					
Remuneration:					
Vikram J Lodha	-	-	-	0.90	-
NON-REVENUE ITEMS :					
Loans & Advances Due From:					
Jayantil Investment	126.55	1.80	1.80	-	4.92
Vikram Shares & stock broking pvt. Ltd.	-	-	0.19	9.28	-
Ishaan Investment	-	-	0.11	-	-
Jayanti Construction Co	8.70	13.59	7.72	-	-
Jayantilal H Lodha	-	2.01	1.18	-	-
Manju J Lodha	1.74	2.03	1.39	-	-
Vikram J Lodha	9.38	6.31	0.17	-	-
Manju Consultancy Co	11.93	-	-	-	-
Loans & Advances Payable To:					
Vikram Shares & stock broking pvt. Ltd.	4.61	1.96	-	-	1.79
Ishaan Investment	2.5	1.33	-	-	0.10
Jayantilal Hansraj HUF	-	-	-	-	0.83
Manju Consultancy Co	-	-	43.15	73.07	70.75
Manju J Lodha	-	-	-	0.22	1.05
Meghna V Lodha	11.17	6.08	7.33	2.50	6.00
Vikram Jayantilal HUF	0.27	4.93	4.20	2.11	0.06
Ishaan Lodha	0.45	1.68	1.80	1.80	-
Jayanti Construction Co	-	-	-	1.70	-
Jayantilal H Lodha	0.62	-	-	0.34	-
Vikram J Lodha	-	-	-	1.75	-
Naysaa Lodha	-	1.80	1.80	1.80	-



MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our audited restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2010, 2011, 2012, 2013 and 2014 in the chapter titled "Financial Information" on page 91 of the Prospectus. The following discussion relates to our Company and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.

OVERVIEW OF THE BUSINESS

THE INDUSTRY OVERVIEW

Indian Capital Market

India has a transparent; highly technology enabled and well regulated stock / capital market. A vibrant, well developed capital market facilitates investment and economic growth. Today the stock markets are buoyant and have a range of players including mutual funds, FII's, hedge funds, corporate and other institutions. Domestic savings and capital inflows are channelized in the capital markets. There were over 1,652 listings as of July 2012 on the nse and as of March 2012, there were over 5,133 listed Indian companies and over 8,196 scrips on the stock exchange. In recent years, the capital markets have undergone substantial reforms in regulation and supervision. Reforms, particularly the establishment of SEBI, market-determined prices and allocation of resources, screen-based nation-wide trading, t+2 settlement, scrip less settlement 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 presently 23 recognized stock exchanges in India.

BUSINESS OVERVIEW

Our Company was originally incorporated at Mumbai as "Naysaa Securities Private Limited" on 19th October, 2007 under the provisions of the Companies Act, 1956. Our Company was converted in to a Public Limited Company and consequently the name was changed to "Naysaa Securities Limited" vide fresh certificate of incorporation dated 5th February, 2014 issued by the Registrar of Companies, Mumbai, Maharashtra.

We are offering wide range of products & services covering equity broking and F&O to all kinds of investors viz. Retail, high net worth individuals and corporate. We are headquartered at Mumbai and we operate through our registered office.

We are a diversified financial services company in India offering a wide range of products & services covering equity broking and equity derivatives to all kinds of investors viz. retail, high net worth individuals and corporate. Our Company is led by Mr. Vikram Jayantilal Lodha and Mr. Jayantilal Hansraj Lodha who are veteran in the financial markets and have steered the growth of the Company.

We are members of Capital Market Segment & Trading Member of Futures & Options Segment of BSE Ltd. We have also applied for trading membership of National Stock Exchange of India Limited. Our business philosophy is always customer oriented and the services are offered under total confidentiality and integrity with the sole purpose of maximizing returns to clients.

FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS

Our business, prospects, financial condition and results of operations are affected by a number of factors, including the following which we believe are of particular importance:



Regulatory developments and authorities

Our activities are subject to supervision and regulation by multiple statutory and regulatory authorities including SEBI and the exchanges. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's securities sectors. Changes in government and other regulatory policies affecting the financial services industry could require changes to our systems and business operations and could involve additional costs and management time. Other general changes in economic and regulatory policy may also affect our business, as they affect the businesses, financial health and investment policies of our customers. Some policy changes may be beneficial to our business, while others may have a negative impact.

Performance of Indian Economy

As a financial services company with businesses operating in the domestic Indian market, our performance and the growth of our business are significantly dependent on the performance of the Indian economy. India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting food and agriculture, commodity and electricity prices or various other factors. A slowdown in the Indian economy could adversely affect our business, including its ability to implement our strategy. The Indian economy is currently in a state of transition and it is difficult to predict the impact of certain fundamental economic changes upon our business. Conditions outside India, such as slowdowns in the economic growth of other countries or increases in the price of oil, have an impact on the growth of the Indian economy, and Government policy may change in response to such conditions. While recent Governments have been keen on encouraging private participation in the industrial sector, any adverse change in policy could result in a slowdown of the Indian economy. Additionally, these policies will need continued support from stable regulatory regimes that stimulate and encourage the investment of private capital into industrial development. Any downturn in the macroeconomic environment could have an adverse effect on our results of operations and financial condition.

Intense Competition

Our Company faces significant competition from companies seeking to attract clients' financial assets. In particular, we compete with other Indian and foreign brokerage houses, 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.

Ability to attract, recruit and retain key personnel.

We are highly dependent on our senior management, our directors and other key personnel. Our future performance will depend upon the continued services of these persons. The loss of any of the members of our senior management, our directors or other key personnel may adversely affect our results of operations and financial condition. Competition in the financial services industry for senior management and qualified employees is intense. Our continued ability to compete effectively in our businesses depends on our ability to attract new employees and to retain and motivate our existing employees. Our inability to hire and retain such employees could adversely affect our business.

DISCUSSION ON THE RESULTS OF OPERATIONS

The following discussion on the financial operations and performance is based on our restated financial statements for the FY 2009-10, 2010-2011, 2011-2012, 2012-2013 and 2013-2014. The same should be read in conjunction with the restated audited financial results of our Company for the years ended March 31, 2010, 2011, 2012, 2013 and 2014.

Analysis on Results of Operation

Considering the various Key factors affecting our income and expenditure, our results of operations may vary from period to period. The following table sets forth certain information with respect to our results of operations for the periods indicated read together with notes to accounts, accounting policies and auditor's report as appearing in this Prospectus.



(Rs. In Lacs)

Particulars	31.03.14	31.03.13	31.03.12	31.03.11
Sale of Shares / Securities	684.13	2673.04	868.71	1139.34
<i>Increase/ (Decrease) (%)</i>	<i>(74.41)</i>	<i>207.70</i>	<i>(23.75)</i>	<i>---</i>
Brokerage / Commission	8.54	2.56	4.10	3.54
<i>Increase/ (Decrease) (%)</i>	<i>233.59</i>	<i>(37.56)</i>	<i>15.82</i>	<i>---</i>
Other Income	15.60	1.70	1.63	0.94
<i>Increase/ (Decrease) (%)</i>	<i>817.65</i>	<i>4.29</i>	<i>73.40</i>	<i>---</i>
Total Income	708.27	2677.30	874.44	1143.82
<i>Increase/ (Decrease) (%)</i>	<i>(73.55)</i>	<i>206.17</i>	<i>(23.55)</i>	<i>---</i>
Expenditure:				
Purchase of Shares/ Securities	706.30	2665.14	865.04	1124.28
<i>Increase/ (Decrease) (%)</i>	<i>(73.50)</i>	<i>208.09</i>	<i>(23.06)</i>	<i>---</i>
Changes in Inventories of Shares / Securities	<i>(23.64)</i>	-	-	3.70
Employees Expenses	3.81	3.76	4.03	4.11
<i>Increase/ (Decrease) (%)</i>	<i>1.33</i>	<i>(6.70)</i>	<i>(1.95)</i>	<i>---</i>
Administrative, Selling & Other Expenses	8.38	6.53	4.77	10.72
<i>Increase/ (Decrease) (%)</i>	<i>28.33</i>	<i>36.90</i>	<i>(55.50)</i>	<i>---</i>
Total	694.85	2675.43	873.84	1142.81
Profit before Depreciation, Interest and Tax	13.42	1.87	0.60	1.01
<i>Increase/ (Decrease) (%)</i>	<i>617.65</i>	<i>211.67</i>	<i>(40.59)</i>	<i>---</i>
Depreciation & Amortisation Expenses	0.37	0.53	0.73	0.48
<i>Increase/ (Decrease) (%)</i>	<i>(30.19)</i>	<i>(27.40)</i>	<i>52.08</i>	<i>---</i>
Profit before Interest & Tax	13.05	1.34	(0.13)	0.53
<i>Increase/ (Decrease) (%)</i>	<i>873.88</i>	<i>NA</i>	<i>(124.53)</i>	<i>---</i>
Interest & Finance Charges	11.55	0.85	-	0.53
<i>Increase/ (Decrease) (%)</i>	<i>1258.82</i>	<i>---</i>	<i>---</i>	<i>---</i>
Net Profit before Tax	1.50	0.49	(0.13)	---
<i>Increase/ (Decrease) (%)</i>	<i>206.12</i>	<i>(476.92)</i>	<i>---</i>	<i>---</i>
Net Profit After Tax	1.03	0.30	(0.17)	-
<i>Increase/ (Decrease) (%)</i>	<i>243.33</i>	<i>(276.47)</i>	<i>---</i>	<i>---</i>

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2014 WITH FINANCIAL YEAR ENDED 31st MARCH, 2013

Income: Income for the financial year ended 31st March, 2014 was at Rs. 708.27 Lacs as against the total of Rs. 2677.30 Lacs for the fiscal 2013 with decline of 73.55 % and such decline was attributed to decline in proprietary sale of shares and securities which has been decreased by 74.41 % at Rs. 684.13 Lacs in fiscal 2014 as compared to Rs. 2673.04 Lacs in fiscal 2013. The Brokerage and commission income witnessed an increase of 233.59% at Rs. 8.54 Lacs in fiscal 2014 as compared to Rs. 2.56 Lacs in fiscal 2013.

Expenditure: Purchase of shares and securities have registered a decline of 73.50% at Rs. 706.30 Lacs in fiscal 2014 as compared to Rs. 2665.14 Lacs in fiscal 2013. The same is in synchronization with decline in the proprietary sale of shares and securities. Personnel Expenses have registered marginal increase of 1.33% at Rs.



3.81 Lacs in fiscal 2014 as compared to Rs. 3.76 Lacs in fiscal 2013 due to annual increments of remunerations; administrative, selling & other expenses have increased by 28.33% at Rs. 8.38 Lacs in fiscal 2014 as compared to Rs. 6.53 Lacs in fiscal 2013.

Profits after Taxes (PAT): PAT of Company has recorded at Rs. 1.03 Lacs for fiscal 2014 as against Rs. 0.30 Lacs for fiscal 2013 due to increase in volume of brokerage and commission income.

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2013 WITH FINANCIAL YEAR ENDED 31st MARCH, 2012

Income: Income for the financial year ended 31st March, 2013 was at Rs. 2677.30 Lacs as against the total of Rs. 874.44 Lacs for the fiscal 2012 with increase of 206.17 % and such increase was attributed to increase in volume of proprietary sale of shares and securities which has been increased by 207.70 % at Rs. 2673.04 Lacs in fiscal 2013 as compared to Rs. 868.71 Lacs in fiscal 2012. The Brokerage and commission income witnessed decline of 37.56% at Rs. 2.56 Lacs in fiscal 2013 as compared to Rs. 4.10 Lacs in fiscal 2012.

Expenditure: Purchase of shares and securities have registered an increase of 208.09% at Rs. 2665.14 Lacs in fiscal 2013 as compared to Rs. 865.04 Lacs in fiscal 2012. The same is in synchronization with increase in the proprietary sale of shares and securities. Personnel Expenses have registered decline of 6.70% at Rs. 3.76 Lacs in fiscal 2013 as compared to Rs. 4.03 Lacs in fiscal 2012; administrative, selling & other expenses have increased by 36.90% at Rs. 6.53 Lacs in fiscal 2013 as compared to Rs. 4.77 Lacs in fiscal 2012.

Profits after Taxes (PAT): PAT of Company has recorded at Rs. 0.30 Lacs for fiscal 2013 as against loss of Rs. 0.17 Lacs for fiscal 2012 due to increase in volume of proprietary trading of shares and securities.

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2012 WITH FINANCIAL YEAR ENDED 31st MARCH, 2011

Income: Income for the financial year ended 31st March, 2012 was at Rs. 874.44 Lacs as against the total of Rs. 1143.82 Lacs for the fiscal 2011 with decline of 23.55 % and such decline was attributed to decline in proprietary sale of shares and securities which has been decreased by 23.75 % at Rs. 868.71 Lacs in fiscal 2012 as compared to Rs. 1139.34 Lacs in fiscal 2011. The Brokerage and commission income witnessed an increase of 15.82% at Rs. 4.10 Lacs in fiscal 2012 as compared to Rs. 3.54 Lacs in fiscal 2011.

Expenditure: Purchase of shares and securities have registered a decline of 23.06% at Rs. 865.04 Lacs in fiscal 2012 as compared to Rs. 1124.28 Lacs in fiscal 2011. The same is in synchronization with decline in the proprietary sale of shares and securities. Personnel Expenses have registered marginal decline of 1.95% at Rs. 4.03 Lacs in fiscal 2012 as compared to Rs. 4.11 Lacs in fiscal 2011; administrative, selling & other expenses have decreased by 55.50% at Rs. 4.77 Lacs in fiscal 2012 as compared to Rs. 10.72 Lacs in fiscal 2011.

Profits after Taxes (PAT): PAT of Company has recorded a loss of Rs. 0.17 Lacs for fiscal 2012 as against Rs. Nil for fiscal 2011 due to decline in volume of proprietary trading of shares and securities.

Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:

1. Unusual or infrequent events or transactions

Except as described in this Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

2. Significant economic changes

Our Company’s operations are dependent on the general economic conditions and any changes in economic conditions may have an adverse impact on the entire industry and consequently on our operations.

3. Known trends or uncertainties

Except as described in “Risk Factors” and “Management Discussion and Analysis of Financial Condition and Results of Operations” and in the Prospectus, our Company believes there are no known trends or



uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

4. The extent to which material increase in net sales or revenues are due to increased sales volume, introduction of new products or services or increased sales prices.

Our increases in net sales are primarily by the number of active clients and the volume of business done by them

5. New Products or business segments

Other than as described in “Our Business” in this Prospectus, our Company is not planning to introduce any new products or business segments.

6. Business segment in which our Company operates

We are a financial services providing company. We operate in a single segment viz Equity and currency derivatives broking.

7. Seasonality of business

Our business & level of operations are not seasonal in nature. Our business depends upon the market condition.

8. Dependence on single or few clients

Our Company's operations are not dependent on a particular client or group of clients.

9. Competitive conditions

We face the competition in all the operations. Our competitors are other broking firms and financial advisory firms. We compete with some of our competitors nationally and with others on a regional, product or business line basis. Many of our competitors have substantially large capital base and resources than we do and offer a broader range of financial products and services. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the services and products. In recent years there has been substantial consolidation and convergence among companies in the financial services industry. This trend toward consolidation and convergence has significantly increased the capital base and geographic reach of many of our competitors. Many of our competitors have the ability to offer a wider range of products and services that may enhance their competitive position. They may also have the ability to support securities products and services with commercial banking, insurance and other financial services capabilities in an effort to gain market share, which could result in pricing pressure in our businesses. We have experienced intense price competition like discounts in large block trades and trading commissions and spreads. The ability to execute trades electronically through the Internet and through other alternative trading systems has increased the pressure on trading commissions and spreads. We believe that this trend toward alternative trading systems will continue. Our ability to continue to compete effectively in our businesses will depend upon our continued ability to attract new professionals and retain and motivate our existing professionals.



SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded) and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Companies.

I. CASES FILED BY OUR COMPANY

Civil Cases

There are no civil proceedings filed by our Company.

Criminal Cases

There are no criminal proceedings filed by our Company.

II. CASES FILED AGAINST OUR COMPANY

Civil proceedings

There are no civil proceedings filed against our Company.

Criminal Proceedings

There are no criminal proceedings filed against our Company.

III. INDIRECT TAX PROCEEDINGS INVOLVING OUR COMPANY

NIL

IV. LITIGATIONS INVOLVING OUR PROMOTER AND PROMOTER GROUP COMPANIES

(i) Proceedings of Civil nature

(a) By the promoters & Promoter Group Companies

NIL

(b) Against the promoters & Promoter Group Companies

NIL

(ii) Proceedings of a Criminal nature-

(a) By the promoters & Promoter Group Companies

NIL

(b) Against the promoters & Promoter Group Companies



NIL

V. LITIGATIONS INVOLVING DIRECTORS OF OUR COMPANY

(i) Proceedings of Civil nature

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

(ii) Proceedings of a Criminal nature-

(a) By the Directors of our Company

NIL

(b) Against the Directors of our Company

NIL

MATERIAL DEVELOPMENTS

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last audited financial statements disclosed in this Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve (12) months.



GOVERNMENT & OTHER APPROVALS

We have received all the necessary consents, licenses, permissions and approvals from the government and various government agencies/ private certification bodies for our present businesses and no further approvals are required for carrying on the present businesses except as stated in this Prospectus.

APPROVALS FOR THE ISSUE

1. The Board of Directors has, pursuant to resolution passed at its meeting held on 5th May, 2014, authorized the Issue.
2. The shareholders of our Company have, pursuant to a resolution 2nd June, 2014 authorized the Issue.

INCORPORATION DETAILS

1. Certificate of incorporation dated 19th October, 2007 issued by Registrar of Companies, Mumbai, Maharashtra in the name of Naysaa Securities Private Limited.
2. Fresh Certificate of Incorporation dated 5th February, 2014 issued by Registrar of Companies, Mumbai, Maharashtra in the name of Naysaa Securities Limited
3. The Company Identification Number (CIN) is U67120MH2007PLC175208.

CORPORATE APPROVALS OF OUR COMPANY

1. Permanent Account Number (AACCN6196R) under the Income Tax Act, 1961.
2. Tax Deduction Account Number (MUMN17748D) under the Income Tax Act, 1961.
3. Service Tax Registration Number AACCN6196RSD001.
4. Registration No. 760390767 under Maharashtra Shop and Establishment Act, 1948.
5. SEBI Registration No. INB011412534 for acting as Trading Member of Bombay Stock Exchange Limited for cash segment
6. SEBI Registration No. INF011412534 for acting as Trading Member of Bombay Stock Exchange Limited for derivatives segment
7. ISIN Number is INE898Q01015.

PENDING GOVERNMENT APPROVALS

1. The Company have applied for membership of Capital Market Segment & Trading Member of National Stock Exchange of India Limited on 10th September, 2013



OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The shareholders of Naysaa Securities Limited had approved the present Issue by a special resolution in accordance with Section 62 (1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of our Company held on 2nd June, 2014.

Our Board has approved this Prospectus at its meeting held on 18th August, 2014.

We have received approval from BSE vide letter dated 8th August, 2014 to use the name of BSE in this offer document for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

PROHIBITION BY SEBI

The Company, its Promoters, its Directors or any of the Company's Associates or Group Companies and companies with which the Directors of the Company are associated as Directors or Promoters, or Directors or Promoters in control of, of the promoting Company, are currently not prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

PROHIBITION BY RBI

Our Company, our Promoters, Promoting Companies, their relatives, Group Concerns and Associate Companies have not been detained as willful defaulters by the RBI or any other government authorities.

ELIGIBILITY FOR THE ISSUE

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital do not exceed ten crores rupees shall issue its specified securities in accordance with provisions of chapter XB Issue of specified securities by small and medium enterprises] of ICDR regulations. (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 said underwriting please refer to "General Information - Underwriting" on page 30 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 40 of the Companies Act, 2013.

c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we 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 refer to “General Information - Details of the Market Making Arrangements for this Issue” on page 30 of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B 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.

BSE ELIGIBILITY NORMS: ([www. http://www.bsesme.com/aboutpublicissue.aspx](http://www.bsesme.com/aboutpublicissue.aspx))

1. Net Tangible assets of at least Rs. 1 crore as per the latest audited financial results

Our Company has Net Tangible Assets of Rs. 369.78 Lacs, which is in excess of Rs. 1 Crore as per the latest audited annual financial results. Our Net Tangible Assets for the year ended March 31, 2014 are disclosed as under:

(Rs. Lacs)

Particulars	31.03.2014
Fixed Assets- Net Block	0.71
Deposits / Long Term Loans & Advances	239.50
<i>Current Assets, Loans and Advances:</i>	
Receivables	28.93
Inventories of Shares & Securities	23.64
Cash & Bank Balances	113.97
Short Terms Loans & Advances	1.44
Total Assets (A)	408.18
<i>Less: Current Liabilities & Provisions:</i>	
Short Term Borrowings	-
Trade Payable	37.63
Other Current Liabilities	0.44
Short Term Provisions	0.33
Total Current Liabilities & Provisions (B)	38.40
Net Tangible Assets (A-B)	369.78

Net tangible assets are defined as sum of Fixed Assets (including capital work in progress and excluding revaluation reserve), trade investments and current assets (excluding deferred tax assets and intangible assets as defined in AS-26 issued by ICAI) less current liabilities & Provisions.

2. Net worth (excluding revaluation reserves) of at least Rs. 1 crore as per the latest audited financial results

Our Company satisfies the above criteria. Our Net Worth as per the restated audited annual financial statements for the year ended March 31, 2014 is as under:

(Rs. Lacs)

Particulars	31.03.2014
Share Capital	247.68
<i>Add: Reserves & Surplus</i>	<i>105.59</i>
<i>Less: Preliminary Expenses to the extent written off</i>	<i>3.42</i>
Net Worth	349.85

Net worth includes Equity Share Capital and Reserves, (Net of Miscellaneous Expenditure not written off, if any.)



3. **Track record of distributable profits in terms of sec. 205 of Companies Act, 1956 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least Rs. 3 Crores.**

Our Company has distributable profits in terms of sec. 205 of Companies Act, 1956, as detailed below:

Particulars	(Rs. In Lacs)		
	31.03.14	31.03.13	31.03.12
Net Profit	1.03	0.30	(0.27)

In addition to that we have a net worth of Rs. 349.85 Lacs as on date of Prospectus.

4. Other Requirements

- i. **The post-issue paid up capital of the company shall be at least Rs. 1 crore.**

As on the date of Prospectus i.e. 18th August, 2014, Our Company has a paid up capital in Rs. 247. 675 Lacs, which is in excess of Rs. 1 crore, and the Post Issue Capital shall also be in excess of Rs. 1 crore.

- ii. **The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

Our Company has entered into tripartite agreements with CDSL and NSDL along with our Registrar for facilitating trading in dematerialized mode.

- iii. **Companies shall mandatorily have a website**

The company has functional website i.e. www.naysaasecurities.com

5. Certificate from the applicant company / promoting companies stating the following:

- a. **The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).**

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

- b. **There is no winding up petition against the company that has been accepted by a court.**

There is no winding up petition against our Company that has been accepted by a court or liquidator has been appointed.

- c. **There is no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.**

There is no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

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, GUINNESS CORPORATE ADVISORS PRIVATE 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, GUINNESS CORPORATE ADVISORS PRIVATE LIMITED HAS FURNISHED, A DUE DILIGENCE CERTIFICATE DATED JUNE 24, 2014 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 COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED) 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 AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.

- 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 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE 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.
- 10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
- 11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
- 12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
- 13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
- 14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
- 15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
- 16) WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR.
- 17) 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 1956 (SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) 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 MANAGER 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.- NOTED**
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.-NOTED**
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. - NOT APPLICABLE**
- (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.**
- (7) WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES. - NOT APPLICABLE**

DISCLAIMER CLAUSE OF BSE

BSE Limited ("BSE") has given vide its letter dated 8th August, 2014, permission to this Company to use its name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for granting the aforesaid permission to this company. BSE does not in any manner:-

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. Warrant that this company's securities will be listed or will continue to be listed on BSE; or
- iii. Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.



DISCLAIMER 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 refer to the website of the Lead Manager: www.16anna.com

CAUTION

The Lead Manager accepts 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 23rd June, 2014, the Underwriting Agreement 23rd June, 2014 entered into among the Underwriters and our Company and the Market Making Agreement dated 23rd June, 2014 entered into among the Lead Manager, Market Maker 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 centers 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 majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds}. This Prospectus does not, however, constitute 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 into whose possession this Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai 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 the Prospectus shall be filed with SEBI at the Corporate Finance Department, Plot No. C-4A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051. A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the ROC situated at 100, Everest, Marine Drive, Mumbai - 400 002.

LISTING

Application shall be made to BSE Limited for obtaining permission for listing of the Equity Shares being offered and sold in the SME Platform of BSE. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

The BSE has given its approval for listing our shares vide its letter dated 8th August, 2014. If the permission to deal in and for an official quotation of the Equity Shares is not granted by the SME Platform of 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 40 of the Companies Act, 2013. 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.

CONSENTS

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer and the Statutory Auditors and (b) the Lead Manager, Market Makers, Underwriters, Bankers to the Issue, 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 32 of the Companies Act, 2013 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 Dimple N Punmiya, Chartered Accountants, the Auditors of the Company have agreed to provide their written consent to include its report on statement of fund deployed as on 31st March, 2014 dated 24th June, 2014 and statement of tax benefits dated 24th June, 2014 relating to the possible tax benefits as applicable. M/s. Ramanand & Associates, Peer Review Auditors have agreed to provide their written consent to include their report dated 23rd June, 2014 on restated financial statements, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus.

EXPERT OPINION

The Company has not obtained any opinions from an expert as per the Companies Act.

**PUBLIC ISSUE EXPENSES**

The Management estimates an expense of Rs. 40 Lacs towards Issue expense. The expenses of this Issue include, among others, underwriting and management fees, market making fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated Issue expenses are as follows:

No.	Particulars	Amount (Rs. 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.	30.00
2.	Printing & Stationery, Distribution, Postage, etc	4.00
3.	Advertisement & Marketing Expenses	2.00
4.	Regulatory & other expenses	4.00
Total		40.00

DETAILS OF FEES PAYABLE

Particulars	Amount (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
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.	30.00	75.00	20.00
Printing & Stationery, Distribution, Postage, etc	4.00	10.00	2.67
Advertisement & Marketing Expenses	2.00	5.00	1.33
Regulatory & other expenses	4.00	10.00	2.67
Total	40.00	100.00	26.67

FEES PAYABLE TO LEAD MANAGER TO THE ISSUE

The total fees payable to the Lead Manager will be as per the Engagement Letters from our Company and Lead Manager and Memorandum of Understanding signed with the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/ refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company, copy of which is available for inspection at the Registered Office of our Company.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and the selling commission for the Issue are as set out in the Underwriting Agreement amongst the Company and Underwriters. The underwriting commission shall be paid as set out in the



Underwriting Agreement based on the Issue price and the amount underwritten in the manner mentioned on page 30 of this Prospectus.

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

Naysaa Securities 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 OR RIGHTS ISSUE

There have been no public or rights issue by our Company during the last five years.

PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

Except as stated in the section titled “Capital Structure” on page 33 of this Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

PROMISE VIS-À-VIS PERFORMANCE

Our Company has not made any public or rights issue since its inception.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1) (B) OF THE COMPANIES ACT, 1956 / SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

There are no listed companies under the same management within the meaning of Section 370(1)(b) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 that made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Prospectus.

STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

The Company has appointed Big Share 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, Big Share 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. The Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Table
1.	Non-receipt of refund	Within 7 days of receipt of complaint subject to production of satisfactory evidence
2.	Non receipt of share certificate/Demat Credit	Within 7 days of receipt of complaint subject to production of satisfactory evidence
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Redressal of investors' grievance is given top priority by the Company. The Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Share transfer/ dematerialization/ rematerialization are handled by professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI's direction for appointment of Common Agency for physical as well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

We have appointed Ms. Nishi A Baig as Company Secretary and Compliance Officer and she may be contacted in case of any pre-issue or post-issue problems. She can be contacted at the following address:

Ms. Nishi A Baig
Company Secretary & Compliance Officer
102/104, Shivam Chambers,
S.V. Road, Goregaon (W),
Mumbai - 400062
Tel: +91-22-26760404;
Email : naysaa@naysaasecurities.com

CHANGES IN AUDITORS

There has been no change in the auditors of our Company for the last three years.

CAPITALIZATION OF RESERVES OR PROFITS DURING LAST FIVE (5) YEARS

Our Company has not capitalized any reserve during last five (5) years.

REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS

Our Company has not revalued its assets during the last five (5) years.



SECTION VII

ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of the Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to the section titled “Main Provisions of the Articles of Association of the Company” on page 148 of this Prospectus.

AUTHORITY FOR THE PRESENT ISSUE

The Issue has been authorized by a resolution of the Board passed at their meeting held on 5th May, 2014 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the Extra-Ordinary General Meeting of the Company held on 2nd June, 2014.

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (“CAN”) and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, SME platform of BSE, ROC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

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, 2013. For further details, please refer to the section titled “Dividend Policy” on page 90 of this Prospectus.

FACE VALUE AND ISSUE PRICE

The Equity Shares having a Face Value of Rs. 10/- each are being offered in terms of this Prospectus at the price of Rs. 15/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis of Issue Price” on page 48 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, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 2013 and the Memorandum and Articles of Association of the Company.

MINIMUM APPLICATION VALUE; MARKET LOT AND TRADING LOT

As per the provisions of the Depositories Act, 1996, the shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

The investors have an option either to receive the security certificate or to hold the securities with depository.

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

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 8000 Equity Share subject to a minimum allotment of 8000 Equity Shares to the successful applicants.

MINIMUM NUMBER OF ALLOTTEES

The minimum number of Allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective Allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of Issue.

JOINT HOLDERS

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 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 72 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 72 of the Companies Act, any Person who becomes a nominee by virtue of Section 72 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.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level.

This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of 8000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please refer to the section titled “*Main Provisions of the Articles of Association of the company*” on Page 148 of this Prospectus.

OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

Allotment of Equity Shares in the Issue will be made only in dematerialized form.

MIGRATION TO MAIN BOARD

Our Company may migrate to the main board of BSE from SME platform of BSE on a later date subject to the following:

a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than Promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board.

OR



b) If the Paid up Capital of the company is more than 10 crores but below Rs. 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 offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME platform for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to “*General Information - Details of the Market Making Arrangements for this Issue*” on page 30 of this Prospectus.

NEW FINANCIAL INSTRUMENTS

The Issuer Company is not issuing any new financial instruments through this Issue.

WITHDRAWAL OF THE ISSUE

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

- (i) The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
- (ii) The final RoC approval of the Prospectus after it is filed with the RoC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter X-B of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, An issuer whose post-issue face value capital do not exceed ten crores rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an Issue please refer the section titled “*Terms of the Issue*” and “*Issue Procedure*” on page 125 and 131 of this Prospectus.

Following is the Issue structure:

Public Issue of 10,00,000 equity shares of Rs. 10/- each (the “Equity Shares”) for cash at a price of Rs. 15/- per Equity Share aggregating to Rs. 150.00 Lacs (“the Issue”) by Naysaa Securities Limited (“NSL” or the “Company” or the “Issuer”).

The Issue comprises reservation of 56,000 Equity Shares for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of 9,44,000 Equity Shares (“the Net Issue”).

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	9,44,000 Equity Shares	56,000 Equity Shares
Percentage of Issue Size available for allocation	94.40% of the Issue size	5.60% of the Issue size
Basis of Allotment	Proportionate subject to minimum allotment of 8000 Equity Shares and further allotment in multiples of 8000 Equity Shares each. For further details please refer to the section titled “ <i>Issue Procedure - Basis of Allotment</i> ” on page 137 of this Prospectus.	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
Minimum Application Size	For QIB and NII: Such number of Equity Shares in multiples of 8000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/- For Retail Individuals: 8,000 Equity Shares	56,000 Equity Shares
Maximum Application Size	For QIB and NII: Such number of equity shares in multiples of 8000 Equity Shares such that the Application Size does not exceed 9,44,000 Shares. For Retail Individuals: Such number of Equity Shares in multiples of 8000 Equity Shares	56,000 Equity Shares



	such that the Application Value does not exceed Rs. 2,00,000/-.	
Mode of Allotment	Dematerialized Form only	Dematerialized Form Only
Trading Lot	8000 Equity Shares	8000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

*50 % of the shares offered are reserved for applications below Rs. 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 following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
2. The final RoC approval of the Prospectus after it is filed with the RoC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

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 OPENING DATE	FRIDAY, 5TH SEPTEMBER, 2014
ISSUE CLOSING DATE	FRIDAY, 12TH SEPTEMBER, 2014

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**

The Issue is being made under Regulation 106 (M) (1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialization form. 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 dematerialization form only. The Equity Shares on allotment will be traded only on the dematerialization segment of the SME Platform of BSE.

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 SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the Application Form for various categories is as follows:

Category	Color 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.

WHO CAN APPLY?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines;

Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;

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 authorized to invest in the Equity Shares under their respective constitutional and charter documents;

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, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);

FIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;

Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;

Sub-accounts of FIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;

Venture Capital Funds registered with SEBI;

Foreign Venture Capital Investors registered with SEBI;

State Industrial Development Corporations;

Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;

Scientific and/or Industrial Research Organizations authorized to invest in equity shares;

Insurance Companies registered with Insurance Regulatory and Development Authority, India;

Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

Multilateral and Bilateral Development Financial Institutions;

National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;

Insurance funds set up and managed by army, navy or air force of the Union of India

As per the existing regulations, OCBs cannot participate in this Issue.

The information below is given for the benefit of the applicants. Our Company and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.



PARTICIPATION BY ASSOCIATES OF LM

The LM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, 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.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of SME Platform of BSE Limited i.e. www.bsesme.com.

OPTION TO SUBSCRIBE IN THE ISSUE

- a. Investors will have the option of getting the allotment of specified securities either in physical form or in dematerialization form.
- b. The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

APPLICATIONS BY ELIGIBLE NRIS/FII'S ON REPATRIATION BASIS-

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.



The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FIIS:

- The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue 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 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, 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 Investor can invest only up to 33.33% of the funds available for investment 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, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, 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.* 26th December, 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 Rs. 2,500 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, insurance companies and provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 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 Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 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.

MAXIMUM AND MINIMUM APPLICATION SIZE

(a) For Retail Individual Applicants

The Application must be for a minimum of 8,000 Equity Shares and in multiples of 8,000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

(b) For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 200,000 and in multiples of 8,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB and Non Institutional Applicant cannot withdraw or lower the size of its Application at any stage of the Issue Closing Date and is required to pay 100% payment upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

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 registered office of the LM.



- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai.

APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

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, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

BASIS OF ALLOTMENT

Allotment will be made in consultation with 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 8,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 8,000 equity shares; and



b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 8,000 equity shares, the number in excess of the multiple of 8,000 would be rounded off to the higher multiple of 8,000 if that number is 4000 or higher. If that number is lower than 4000, it would be rounded off to the lower multiple of 8,000. All Applicant in such categories would be Allotted Equity Shares arrived at after such rounding off.

5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 8,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, 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 a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
- c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.
- d) As per Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 as amended, if the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

REFUNDS

In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the 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.

TERMS OF PAYMENT / PAYMENT INSTRUCTIONS

The entire Issue Price of Rs. 15/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, The Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques 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: "NSL -Public Issue - R".
 - In case of Non Resident Retail Applicants applying on repatriation basis: "NSL -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 Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

OTHER INSTRUCTIONS

Joint Applications in the case of Individuals

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications



ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

GROUND 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 8000;
- 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 Rs. 2,00,000, received after 5.00 pm on the Issue Closing Date;

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to the company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise includes directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the companies Act, 2013.

SIGNING OF UNDERWRITING AGREEMENT

Vide an Underwriting agreement dated 23rd June, 2014 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 32 of the Companies Act.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.



DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 working days of the Issue Closing Date.

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 centers will be payable by the Applicants.

PAYMENT OF REFUND

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **ECS (Electronic Clearing System)** - Payment of refund would be done through ECS for applicants having an account at any of the centers where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of such centers, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
- 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 centers where such facility has been made available and whose refund amount exceeds 10.00 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 ECS. 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 centers will be payable by the Applicants.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through 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.

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 the Issuer;



- 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) The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

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 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

WITHDRAWAL OF THE ISSUE

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

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
2. The final RoC approval of the Prospectus after it is filed with the RoC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated 8th July, 2014 between NSDL, the Company and the Registrar to the Issue;
 - (b) Agreement dated 20th June, 2014 between CDSL, the Company and the Registrar to the Issue;
- The Company's shares bear an ISIN No. INE898Q01015.

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 have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

COMMUNICATIONS

All future communications in connection with 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.

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 SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM. ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility



available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB. Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue. The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.



SECTION VIII

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

1. The regulations contained in Table “A”, in the first Schedule to the Companies Act, 1956, shall not apply to this Company, but the regulations for the management of the company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alternation of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956 be such as are contained in these Articles.

CAPITAL

3. A. The authorized share capital of the Company shall be the Capital as specified in Clause V of the Memorandum of Association, with power to increase or reduce the share capital of the Company and to divide the shares in the capital for the time being into several classes as permissible in law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any of such rights, privileges or conditions in such manner as may for the time being be provided in the Articles of Association.

The Paid Up Capital of the Company shall be minimum Rs. 5,00,000/- (Rupees Five Lacs Only)

- B. Subject to the right of the holders of any shares entitled by the terms of issue of preferential repayment over the equity shares in the event of winding up of the Company, holders of the equity shares shall be entitled to be repaid the amount of Capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of Equity Shares in proportion to the amount paid up or credited as paid up on such equity shares respectively at the commencement of the winding up.
 - C. The preference shares shall confer on the holder thereof the right to a cumulative preferential dividend for each year at a rate as may be fixed by the Board of Directors at the time of issue thereof or revising rate of interest on the existing preference shares in conformity with the rate prescribed by law from time to time subject to deduction of tax at sources at the prescribed rates, on the capital paid up or credited as paid up thereon, and in the event of winding up the right to redemption of capital and arrears of dividend accrued up to the date of the commencement of the winding up whether declared or undeclared shall rank in priority to equity shares in the capital of the Company for the time being, but the said preference shares shall not entitle the holder thereof to any further or other participation in the profits or assets of the Company.
10. The Company may from time to time by Special Resolution, subject to the provisions of Section 78, 80, 100 to 104 inclusive of the Act, reduce its Share Capital and any Capital Redemption Reserve Account or Securities Premium Account in any manner for the time being authorised by law, and in particular without prejudice to the generality of the foregoing power may:
 - a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;
 - b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid up share capital which is lost or is unrepresented by available assets; or
 - c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the Company;



and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

11. A. The Company in general meeting may subject to the provisions of Section 94 of the Act by Ordinary Resolution alter the capital clause condition of its Memorandum as follows, that is to say, it may:
- a) Consolidate and divide any of its Share Capital into Shares of larger amounts than its existing shares;
 - b) Sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid-up 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 and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage or otherwise over the others or any other such share.
 - c) Convert all or any of its fully paid-up shares in to stock and reconvert that stock into fully paid-up shares of any denomination.
 - d) Cancel shares which, on the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of

its share capital by the amount of shares so cancelled;
- B. The cancellation of shares in pursuance of this Article shall not be deemed to be reduction of Share Capital.

SHARES AND CERTIFICATES

14. The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in material and dematerialized forms in any medias may be permitted by law including in any form of electronic media. The Company shall be entitled to keep in any State or Country outside India a branch Register of Members for members resident in the State or country.
15. a) The rights or privileges conferred upon the holders of the shares of any class issued with preferred or other rights, shall not unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied or modified affected by the creation or issue of further shares ranking pari passu therewith.
- b) The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.
16. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner herein before mentioned no shares shall be sub-divided, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are in dematerialized form. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
17. a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in that Company made for the first



time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstance admit, to the capital paid up on these shares at that date. Such offer shall be made by notice specifying the number of shares offered and limiting a time not being less than Thirty days from the date of offer within which the offer, if not accepted, or renounced, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

- b) Notwithstanding any thing contained in the preceding sub clause, the Company may :-
 - i) By a special resolution; or
 - ii) Where no such special resolution is passed, if the vote cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote, if any of the Chairman) by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

Offer further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer are the holders of the equity shares of the Company.

- c) Notwithstanding any thing contained in sub-clause (a) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.

18. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose off the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give any person, the option to call for any shares either at par or at a premium during such time and for such consideration the Directors think fit, and may allot and issue shares in the capital of the Company in payment or part for any property sold and transferred or for any services rendered to the Company in the conduct of its Business; and any shares which may be so allotted may be issued as fully paid-up shares and if so issued, shall be deemed to be fully paid shares.

- a) The shares or other interest of any member in the Company shall be movable property, transferable in the manner provided by the Articles of the Company.
- b) Each physical share in the Company shall be distinguished by its distinctive number.
- c) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be, prima facie, evidence of the title of the member of such shares.

34.

DEMATERIALISATION OF SECURITIES

- a) For the purpose of this Article :-



‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository ;

‘SEBI’ means the Securities & Exchange Board of India ;

‘Depository’ means a company formed and registered under the Companies Act, 1956 , and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992 ; and

‘Security’ means such security as may be specified by SEBI from time to time.

UNDERWRITING AND BROKERAGE

40. A. The company may pay a commission to any person in consideration of:
- i) His subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in Sub-Section(4A) of Section 76 of the Act, or
 - ii) His procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in, or debentures of the Company, if the following conditions are fulfilled, viz:
 - (a) The commission paid or agreed to be paid does not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures, two and half percent of the price at which the debentures are issued;
 - (b) The amount or rate percent of the commission paid or agreed to be paid, on shares or debentures offered to the public for subscriptions, shall be disclosed in the prospectus, and in the case of shares and debentures not offered to the public for subscription, disclosed in the statement in lieu of prospectus and filed, before the payment of the commission, with the Registrar, and where a circular or notice, not being a prospectus inviting subscription for the shares or debentures is issued, and disclosed in that circular or notice;
 - (c) The number of shares or debentures which persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid, and
 - (d) A copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of the prospectus for registration.
- B. Save as aforesaid and save as provided in Section 79 of the Act, the Company shall not allot any of its Shares or Debentures or apply any of its moneys, either directly or indirectly in payment of any commission, discount or allowance, to any person in consideration of:
- (i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company; or
 - (ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for the shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company, or the money be paid out of the nominal purchase money or contract price, or otherwise.
- C. Nothing in this Article shall affect the power of the Company to pay such brokerage as it has heretofore been lawful for the Company to pay.



- D. A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received for payment of any commission the payment of which, if made directly by the Company would have been legal under Section 76 of the Act.
- E. The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash, or in share, debentures or debenture-stocks of the Company.

LIEN

- 55. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (Whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 30 hereof is to have full effect. In the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. Provided that the Board Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

TRANSFER AND TRANSMISSION OF SHARES

- 75. Shares in the company may be transferred by instrument in writing in such form and by such procedure as may from time to time be prescribed by law. Subject thereto the directors may prescribe a common form of for instruments of transfer which may from time to time be altered by the Directors.
- 76. In the case of transfer of shares/debentures held by joint holders, the transfer will be effective only if it is made by all the joint holders.
- 77. The Instrument of Transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the shares and every registered Instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board, The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of the transfer, the certificate or certificates of the shares must be delivered to the Company.

BORROWING POWER

- 98. Subject to the provisions of Section 58A, 292 and 293 of the Act and of the Companies (Acceptance of Deposits) Rules, 1975 and of these Articles or any statutory modification thereof for the time being in force the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the company. Provided the payment of any sum or sums of money for the purpose of the Company. Provided however where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans to be obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its, free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No Debt incurred by the Company in excess of the limit imposed by these Articles shall be valid or effectual unless the lender proves that he advances the loan in good faith and without knowledge that the limit



imposed by this Article had been exceeded.

99. Subject to the provisions of Article 98 hereof, 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 by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and debentures, debentures-stock and other securities may be made assignable free from any equities between the Company and person to whom the same may be issued.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

111. The Company may by ordinary resolution of the Company in General Meeting;
- a) Convert any paid up shares into stock; and
 - b) Reconvert any stock into paid-up shares of any denomination.
112. 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 before the conversion have been transferred or as near thereof as circumstances admit provided that, the board may, from time to time, fix the minimum amount of stock transferable, so that such minimum shall not exceed normal amount of the shares from which the stock arose.

MEETING OF MEMBERS

115. The Statutory Meeting of the Company, shall as required by Section 165 of the Act, be held at such time not being less than one month and not more than six months from the date at which the Company shall be entitled to commence business and at such place as the Board may determine, and the Board shall comply with the requirements of that Section, as to the report to be submitted and otherwise.
116. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting and the Statutory Meeting shall be called Extraordinary General Meetings. The First Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Registered Office of the Company. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting, which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be kept on the table the Director's Report and Audited Statement of Accounts, Auditor's Report (if not already incorporated in the Audited Statement of Accounts) the Proxy Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, Summary of Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Section 159, 161 and 220 of the Act.
132. At least Twenty-one days notice of every General Meeting, Annual or Extraordinary General



Meeting, and by whomsoever called specifying the day, place and hour of meeting and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat and in case of any other meetings, with the consent of Members holding not less than 95 percent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than the ordinary business is to be transacted and in the case of any other meeting in any event there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director, and the Manager (if any) where any such item of business relates to, or affects any other Company the extent of shareholding interest in that other Company of every Director and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than twenty percent of the paid-up share capital of that other Company, where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

137. Five Members present in person shall be the quorum for a General Meeting.
138. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance of the provisions of Section 187 of the Act authorize such person by a resolution of its Board of Directors as it thinks fit, to act as its representative attending meeting of the Company or of any class of members of the Company or at any meeting of creditor of the Company.
139. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum not be present, the meeting, if convened by or upon the requisition of Members, shall stand dissolved. But in any other case, the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday, until the next succeeding day which is not a public holiday at the same time and place or to such other day as such other time and place in the city or town in which the Office of the company is for the time being situated, as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present shall be a quorum, and may transact the business for which the meeting was called.
140. The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the Members present shall elect one of their member to be Chairman, on a show of hands. If a poll is demanded in the election of the Chairman, it shall be taken forthwith, the Chairman elected on a show of hands exercising all the powers of the Chairman under the provisions of the Act. If some other person is elected Chairman as a result of the poll, he shall be chairman for the rest of the meeting.
143. At any General Meeting a resolution including a special resolution put to the vote of the meeting shall be decided on a show of hands, unless before or on the declaration of the result of the voting on any resolution on a show of hands a poll is ordered to be taken by the chairman of the meeting of his own motion or on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the company which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid-up. Unless a poll



be so demanded, and ordered to be taken a declaration by the Chairman that a resolution has on a show of hands, been carried or carried unanimously, or by a particular majority or lost, and an entry to that effect in the Minute Book of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

VOTES OF MEMBERS

149. No Member shall be entitled in respect of any shares registered in his name to be present or to exercise any voting right on any question at any General Meeting or be reckoned in a quorum whilst any call or other sum presently payable to the Company in respect of such shares, shall remain unpaid or in regard to which the Company has exercised any right of lien; and no member shall be entitled to be present or to vote in respect of any shares that he has acquired by transfer at any meeting unless his name has been entered as the registered holder of such share in respect of which he claims to vote.
150. Any shareholder whose name is entered in the Register of Members of the company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.
151. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present and to speak and vote at such meeting, and on a show of hands every Member present in person or by proxy shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however if any preference Shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.
152. On a poll taken at a meeting of the Company a Member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

MINUTES OF MEETINGS

167. a) The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of Section 193 of the Act.
- b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
- c) In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by pasting or otherwise.
- d) The Minutes of each Meeting shall contain a fair and correct summary of the proceeding thereat.
- e) All appointments of Officers made at any aforesaid meeting shall be included in the Minutes of the Meeting.
- f) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (a) is or could reasonably be regarded as, defamatory of a person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an



absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

- g) Any such Minutes shall be evidence of the proceedings recorded therein.
- h) The book containing the Minutes of the proceedings of any General Meeting of the Company shall:
- i) be kept at the Registered Office of the Company, and
- ii) be open, during the business hours to the inspection of any members without charge, subject, to such reasonable restrictions as the Company may, in General Meeting impose so however that not less than two hours in each day are allowed for inspection.
- iii) Any Member shall be entitled to be furnished within seven days after he has made a request in that behalf to the company, with a copy of any minutes referred to in Clause (h) above, on payment of such fees as prescribed under Section 196 of the Act.

168. a) Where minutes of the proceedings of any General Meeting of the company have been kept in accordance with the provisions of Section 193 of the Act, then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

- b) On document purporting to be a report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

181. A Director shall not require acquiring or having any share qualification.

183. If any director be called upon to perform extra services or make special exertions or efforts (which expression shall include work done by a director as a member of any committee of the Board), the Board may arrange with such Director for special remuneration for such service or exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

184. The Board may allow an pay to any director (including the foreigner Director), who is not a bona fide of the place where the meeting of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting; such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director by called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with business of the Company.

185. The continuing Director may act notwithstanding any vacancy in their body if and so long as their number is not reduced below the minimum, the continuing Director not being less than two may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.

186. A person shall not be capable of being appointed as a Director if he has the disqualifications referred to in Section 274 of the Act, as may be amended from time to time.



187. Subject to Sections 283(2) and 314 of the Act the office of a Director shall become vacant if:-
- a) he is found to be of unsound mind by the Court of competent jurisdiction ; or
 - b) he applies to be adjudicated an insolvent; or
 - c) he is adjudged an insolvent ; or
 - d) he fails to pay any call made on him in respect of shares of the company held by him, whether alone or jointly with other, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
 - e) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board; or
 - f) He contravenes the provisions of Section 314 of the Act; or
 - g) he becomes disqualified by an order of the court under section 203 of the Act; or
 - h) he is removed in pursuance of section 284; or
 - i) he (whether by himself or by any person for his benefit or on his account) or any firm in which is a partner or any private company of which he is a Director, accepts a loan, or ay guarantee of security for a loan, from the company in contravention of section 295 of the Act; or
 - j) he acts in contravention of section 299 of the Act; or
 - k) he is convicted by a court for an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or
 - l) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
 - m) he resigns his office by a notice in writing addressed to the company.
188. Notwithstanding anything contained in sub-clause (c), (g) and (k) of Clause 187 above, the disqualification referred to in these Sub-Clauses shall not take effect:
- a) for thirty days from the date of the adjudication, sentence or order;
 - b) Where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of;
 - c) Where within the seven days aforesaid, any further appeal, petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.
189. a) A Director or his relative, firm in which such Director or relative is a partner or any other partner in such firm or a private company of which
- the director is a Member or Director may enter into any contract with the company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares or debentures of the company, provided that in case of the Company having a paid-up



capital of not less than Rupees One Crore, no such contract shall be entered into except with the previous approval of the Central Government and the sanction of the Board shall be obtained before or within three months' of the date on which the contract is entered into in accordance with section 297 of the Act.

- b) No sanction shall, however, be necessary for;
- i) any purchase of goods and materials from the company, or the sale of goods or materials to the company, by any such Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
- ii) Any contract or contracts between the company on one side and any such Director, relative, firm, partner, or private company on the other side for sale, purchase or supply of any goods, materials and services in which either the company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000/- in the aggregate in any year comprised in the period of the contract. Provided that in circumstances of urgent necessity a Director, relative, firm, partner or private company as aforesaid may, without obtaining the consent of the Board, enter into any such contract with the company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds Rs. 5,000/- in the aggregate in any year comprised in the period of the Contract, if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

190. A Director or his relative, firm in which such director or relative is a partner, any other partner in such firm or a private company of which the Director is a member or director, may enter into any contract subject to approval of Central Government if and where applicable with the Company for the sale, purchase or supply of goods, materials, services, or for underwriting the subscription of any shares in, or debentures of the Company, provided the sanction of the Board is obtained by a resolution passed at the meeting of the Board before the date on which the contract is entered into or within three months thereof in accordance with Section 297 of the Act. No sanction however, shall be necessary in cases prescribed by Sub-Section (2) of Section 297 of the Act. Furthermore, nothing in this Article shall apply to any contract made in circumstances of urgent necessity which contract shall be regulated by Sub-Section (3) of Section 297 of the Act.
196. The Company shall observe the restrictions imposed on the Company in regard to granting of loans to Directors and other persons as provided in Section 295 and other applicable provisions, if any, of the Act.
197. A. The appointment, re-appointment and extension of the term of a sole selling agent, shall be regulated in accordance with the provisions of Section 294 of the Act and any Rules or Notifications issued by the competent authority in accordance with that Section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such rules or notifications, if any, as may be applicable.
- B. The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 294A of the Act.
198. 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 & 256 of the Act or these Articles or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The Nominee Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining to rotation of retirement or the number of Directors to retire.



199. Subject to Section 256(2) of the Act, the Directors to retire by rotation under Article 200 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
200. A retiring Director shall be eligible for re-election
201. Subject to section 258 and 262 of the Act and further subject to Article 200, the Company at the General Meeting at which a Director retires in the manner aforesaid, may fill the vacated office by electing a person thereto.
202. A. If the place of the retiring Director is not so filled up and the meeting not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a holiday, at the same time and place.
- B. If at the adjourned meeting also, it has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless :
- i) at that meeting or at the previous meeting resolution for the re-appointment of such Director has been put to the meeting and lost;
- ii) the retiring Director has, by a notice in writing addressed to the Company, or its Board expressed his willingness to be so reappointed;
- iii) he is not qualified or is disqualified for appointment;
- iv) a resolution, whether special or ordinary, is required for the appointment or re appointment by virtue of any provisions of the Act; or
- v) the provisions of sub-section (2) of section 263 of the Act is applicable to the case.
203. Subject to Sections 259 of the Act, the Company may by ordinary resolution, from time to time, increase or reduce the number of Directors, within the limits fixed in that behalf by these Articles, and may alter their qualifications and the Company may (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his place. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.
204. a) A person who is not a retiring Director shall, in accordance with and subject to the compliance of provisions of Section 257 of the Act and Article 205 of this Articles of Association, be eligible for appointment to the office of Director at any General Meeting.
- b) The Company shall comply with the provisions of said Section 257 of the Act in case of such an appointment.
205. a) No person, not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some other member intending to propose him has, not less than fourteen days before the meeting, left at the office of the company, a notice in writing under his hand signifying his candidature for the office or Director for that office under these Articles, along with a deposit of Rs. 500 which shall be refunded to such person or, as the case may be, to such member if the person succeeds in getting elected as a Director.



- b) Every person (other than a Director retiring by rotation or otherwise) or a person who has left at the office of the Company a notice under section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, his consent in writing to act as a Director, if appointed.
 - c) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under section 262 of the Act, appointed as a Director or re-appointed as an Additional or Alternate Director, immediately on the expiry of his term of office shall not act as a Director of the Company, unless he has within thirty days of appointment signed and filed with the Registrar his consent in writing to act as such Director.
- 206.
- a) The Company may (subject to the provision of Section 284 of the Act and other applicable provisions of the Act and these Articles) remove any Director before the expiry of his period of office.
 - b) Special notice as provided by Article 121 or Section 190 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting as which he is removed.
 - c) On receipt of notice of a resolution to remove a director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director concerned and the Director (Whether or not he is a Member of the Company) shall be entitled to be heard on the resolution at the meeting.
 - d) Where notice is given of resolution to remove a Director under this Article, and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are received by it too late for it to do so (i) in the notice of the resolution given to Members of the Company state the fact of the representations having been made, and (ii) send a copy of the representations to every Member of the Company, and if a copy of the representation is not sent as aforesaid because they were received too late or because of the Company's default, the Director may without prejudice to his right to be heard orally require that copies of the representations shall be read out at the meeting. Provided that copies of the representations need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.
 - e) A vacancy created by the removal of director under this Article may, if he has been appointed by the company in General Meeting or by the Board in pursuance of Article 179 and 180 or section 262 of the Act, be filled by the appointment or another director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-clause (b) hereof. A director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.
 - f) If the vacancy is not filled under sub-clause (e) hereof, it may be filled as casual vacancy in accordance with the provisions, in so far as they are applicable of Article 180 or Section 262 of the Act, and all the provisions of the said Act in all respects thereof shall accordingly apply.
 - g) A Director who has removed from office under this Article shall not be re-appointed as a director by the Board of Directors.
 - h) Nothing contained in this Article shall be taken :
 - i) as depriving a person removed hereunder of any compensation or damages payable to him in



respect of the termination of his

appointment as director or of any appointment terminating with that as Director; or

- ii) as derogating from any power to remove a Director which may exist apart from this Article.

207. a) The Company shall keep at its Office a Registrar containing the particulars of its Directors, Secretary and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said section in all respects.
- b) The Company shall in respect of each of its Directors also keep at its office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said section in all respects.
208. a) Every Director including a person deemed to be a Director (by virtue of the Explanation (1) to sub-section (1) of Section 303 of the Act), Managing Director, Manager, or Secretary of the Company shall within twenty days of his appointment to any of the above offices in any other Body Corporate, disclose to the Company the particulars relating to his office in the other body corporates which are required to be specified under sub-section (2) of Section 303 of the Act.
- b) Every Director of the Company and every person deemed to be a Director of the Company by virtue of Sub-Section (10) of Section 307 of the Acts, shall give notice to the Company of such matters as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section and Section 308 of the Act.
211. The company shall not appoint or employ, or continue the appointment or employment, of a person as its Managing or Whole-time Director who :-
- a) is an undischarged insolvent or has at any time been adjudged an insolvent;
 - b) suspends, or has at any time suspended, payment to his creditors, or makes or has at any time made a composition with them; or
 - c) is, or has at any time been, convicted by a court of an offence involving moral turpitude.
212. A Managing Director shall not while he continues to hold that office be subject to retirement by rotation, in accordance with Article. If he ceases to hold the office of director he shall ipso facto immediately cease to be a Managing Director.

WHOLE TIME DIRECTOR

213. Subject to the provisions of the Act and of these Articles, the Board may from time to time with such sanction of the Central Government as may be required by law appoint one or more of its Director/s or other person/s as Whole-Time Director or Whole-Time Directors of the Company out of the Directors/ persons nominated under Article only either for a fixed term that the Board may determine or permanently for life time upon such terms and conditions as the Board may determine or permanently for life time upon such terms and conditions as the Board thinks fit. The Board may by ordinary resolution and / or an agreement/s vest in such Whole-Time Director or Whole Time Directors such of the powers authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period of periods and upon such conditions and subject to such restrictions as it may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and / or remove or dismiss him or them and appoint another or others in his or their place or places again out of the Directors / persons nominated under Article 174 only. The Whole Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of ordinary resolution or a Court act/s



or an agreement/s under such terms not expressly prohibited by the Act.

214. Subject to the provisions of Section 255 of the Act and these Articles, a Whole Time Director or Whole Time Director shall not, while he/they continue to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between him/they and the Company) he/they shall be subject to the same provision as to resignation and removal as the other Directors, and he/they shall ipso facto and immediately ceases or otherwise under the sees to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act any Annual General Meeting and shall be re-appointed as a Director of Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Whole Time Directors.
215. If at any time the total number of Managing Directors and Whole Time Directors is more than one-third who shall retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company

PROCEEDINGS OF THE BOARD OF DIRECTORS

216. The Directors may meet together as a Board for the dispatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn or otherwise regulate their meeting as they think fit.
217. At least five days prior notice of every meeting of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India, to every other Director. Notice may be given by telegram, cable, telex or other means of communications to any Director who is not in India and a Notice sent by registered airmail shall confirm the same.
218. Subject to the Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Director, if any, whose places may be vacant at the time) 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 equal to two-third 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.
219. If a meeting of the Board could not be held for want of a quorum, than the meeting, subjects to Section 288 of the Act, shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place or such day, time and place as may be fixed by the Chairman and the Directors present at the meeting.
220. The secretary shall, as and when directed by the Chairman to do so, convene a meeting of the Board by giving a notice in writing to every Director.
221. The Board may from time to time elect from among their number, a Chairman of the Board and determine the period for which he is to hold office. The Directors may likewise appoint from among their number a Vice-Chairman and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman and the Vice-Chairman are not present within fifteen minutes after the time appointed for holding the same or is unwilling to act as Chairman, the Directors may choose one of their number to be Chairman of the Meeting.
222. Subject to the provisions of the Act and of these Articles, question arising at any meeting of the Board of Directors shall be decided by a majority or votes and in the case of equality of votes, the



Chairman shall have a second or a casting vote.

223. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.
224. Subject to the restrictions contained in Section 292 and other applicable provisions of the Act, the Board may delegate any of their powers to a committee of Directors consisting of such Director or Directors or one or more Director and a Member or Members of the Company as it thinks fit or to the Managing Director, Manager or any other Principal Officer of the Company or a Branch Officer or to one or more of them together and it may from time to time revoke and discharge any such committee of the Board either wholly or in part, and either as to purpose 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 fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
225. The meeting and proceedings of any such Committee of the Board 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.
226. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the Members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or Members of the Committee, at their usual address in India and has been approved by such of the Directors or Members of the Committee as are then in India, by a majority of such of them, as are entitled to vote on the resolution.
227. All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office 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 persons had been duly appointed and was qualified to be Director and had not vacated his office or his appointment had not been terminated, provided that nothing in his Article shall be deemed to revive validity to acts done by a Director after his appointment has been shown to the company to be invalid or to have terminated.
228. a) The Company shall cause Minutes of all proceedings of every meeting of the Board and committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.
- b) Each page of every such book shall be initialled or signed and the last page of they record or proceedings of every meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- c) In no case the minutes of proceedings of a meeting be attached in any such book as aforesaid by pasting or otherwise.
- d) The minutes of each meeting shall contain a fair and correct summary of the proceeding thereat.
- e) All appointments of officers made at any of the meeting aforesaid shall be included in the Minutes of the meeting.



- f) The minutes shall also contain :-
 - i) the names of the Directors present at the meeting, and
 - ii) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.
- g) Nothing contained in sub-clauses (a) to (f) shall be deemed to require the inclusion in any such Minutes of any matter which, in the opinion of the Chairman of the meeting :-
 - i) (a) is, or could reasonably be regarded as defamatory of any person; or
 - ii) (b) is irrelevant or immaterial to the proceedings; or
 - iii) (c) is detrimental to the interests of the Company;

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub- clause and the decision of the Chairman shall be final and binding.

- h) Minutes of any meeting of the Board of Directors or of any committee of the Board if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be, for all purposes whatsoever, prima facie evidence of the actual passing of the resolutions recorded and the actual and regular transaction of occurrence of the proceedings so recorded and the regularity or the meeting at which the same shall appear to have been taken place.

229. Where minutes of the proceedings of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act, then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of Director or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

POWERS OF DIRECTORS

230. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, but subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Provided that the Board shall not, except with the consent of the Company in General Meeting :-

- a) sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, or the whole, or substantially the whole, of any such undertaking; provided that nothing herein contained shall affect the selling or leasing of any property of the Company when the ordinary business of the Company consists of, or comprises, such selling or leasing;
- b) remit, or give time for the repayment of any debt due by a Director;
- c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of compulsory acquisition of such undertaking as is referred to in clause (a) above, or of any premise or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or any after a considerable time;



- d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.
- e) Contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees in excess of limits laid down by Section 293 of the Act.
- f) A receipt signed by the Managing Director or any one of the Managing Directors or by a Whole Time Director or by any one of the Whole Time Directors or by a person authorized by a resolution of directors to give receipt for any moneys, funds or property, lent or payable or belonging to the Company, shall be an effectual discharge on behalf of and against the Company for the moneys, funds or property which is such receipt shall be acknowledged to be received, and the person paying any such moneys shall not be bound to see to the application thereof or be answerable for the misapplication thereof
- g) To open and operate upon and overdraw bank accounts, to sign, make issue, negotiable, discount, endorse, accept or otherwise deal in all types of negotiable instruments including cheques, promissory notes, hundies, bill of exchange and bearer bonds arrange for credits in cash or in kind, specifying the bank or banks with whom the cash, credit account is to be opened and the limit of such accounts.
- h) To incur from time to time such expenses and lay out such sum or sums of moneys as Directors may deem expedient for the purpose of working the work-shop/s or factory/ies or for improving the business of the Company from time to time, to erect and fix new machinery or plant, or in any of the lands, building and premises for the time being in the position or the property or the Company, and time to time removal for all or any of the machinery, plant and stores of the Company being in or upon any loans, buildings and premises of the Company, to other lands. Building or premises wherever situate of the Company.
- i) To effect all kinds of insurance which in the opinion of the Directors ought to be effected for the benefit of the Company and in particular to ensure the property of the Company against loss or damage by fire or otherwise, and also to ensure against any standing charges and to ensure any anticipated profits of the company of any transaction or transactions entered into by the company, and to sell assign, surrender or discontinue any policies of insurance effected in pursuance of this power.
- j) To give any person employed by the Company a commission on the profits of any particular business or transaction and such commission shall be treated as part of the working expenses of the Company. Provided further that the powers specified in Section 298 of the Act, subject to these Articles be exercised only at meeting of the Board, unless the same be delegate to the extent therein stated.

DIVIDENDS

- 238. Subject to the provision of Section 205 of the act and the rules made there under, the profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles and subject to the provision of these Articles, shall be divisible among Members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.
- 239. The Company in General Meeting may declare dividends to be paid to Members according to their respective rights but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.



240. No dividend shall be declared or paid except in accordance with Section 205 and Section 205 A of the Act and no dividend shall carry interest as against the Company. The declaration of the Board as the amount of profits of the Company shall be conclusive. Where a dividend has been declared, either the dividend shall be paid or the warrant in respect thereof shall be posted to the shareholder entitled to the payment of the dividend within time prescribed under Section 207 of the Act.
241. No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.
242. Subject to the provision of the Act, the Board may, from time to time pay to the Members such interim dividend as in their judgment the position of the Company justifies.
243. Where Capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.
244. All dividends can be apportioned and paid proportionately to 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 dividends as from a particular date, such share rank for dividend accordingly.

ACCOUNTS

258. The Company shall keep at the Office or at such other place in India as the Board thinks fit, proper Books of Accounts in accordance with Section 209 of the Act with respect to :-
- a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
 - b) all sales and purchases of goods by the Company;
 - c) The assets and liabilities of the Company.

Where the Board decides to keep all or any of the Books of Account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

The Company shall preserve in good order the books of accounts relating to a period of not less than eight years proceeding the current year together with the vouchers relevant to any entry in such books of accounts.

If the Company owns one or more than one branch office/s, whether in or outside India, proper Books of Accounts relating to the transactions effected at the branch office shall be kept at that branch office/s and proper summarized returns, made upto date at intervals of not more than three months, shall be sent by the branch office/s to the Company at its Registered Office or other place in India as the Board thinks fit where the said Books of the Company are kept.



The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be and explain its transactions. The Books of Account and other books and paper shall be open to inspection by any Directors during business hours.

259. 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, and no Member (not being a Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by law or authorized by the Board or by a resolution of the Company in General Meeting.
260. The Directors shall from time to time, in accordance with Sections 210, 211, 212, 215 and 217 of the Act, cause to be prepared and to be laid before this Company in General Meeting, such Balance Sheets, Profit & Loss Accounts and Reports as are required by those Sections and in the form set out in part I of Schedule VI of the Act.
261. A. Every Balance Sheet laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs; the amounts if any which it proposes, to carry to any reserve in such Balance Sheet, the amounts, if any, which it recommends to be paid by way of dividends and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.
- B. The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of Company's business in the Company's subsidiaries or in the nature of the business in which the Company has an interest.
- C. The Report shall also include a statement showing particulars of its employees as mentioned in Section 217 (2A) of the Act.
- D. The Board shall also give the fullest information and explanation in its report or in cases falling under the provision to Section 222 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditors Report.
- E. The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he not so authorized shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company.
- F. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clause A to D of this Article are complied with.

AUDIT

264. a) Every Balance Sheet and Profit & Loss Account shall be audited by one or more Auditors, as may be appointed from time to time.



- b) The Company will comply with all the provisions prescribed in Section 224 to Section 233 (both inclusive) of the Act, as amended from time to time.

265. The first Auditor or Auditors of the Company shall be appointed by the board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting. Provided that the Company may at a General Meeting remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company not less than fourteen days before the date of the meeting, provided further that if the Board fails to exercise its power under this Article, the Company in General Meeting may appoint the first Auditor or Auditor.
266. Every account when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the accounts shall forthwith be corrected and henceforth shall be conclusive,
267. Save as otherwise expressly provided in the Act, A document or proceedings requiring authentication by the Company may be signed by the Director, the Managing Director, the Manager, the Secretary or other authorized officer of the Company and need not be under its Common Seal.

WINDING UP

277. A. Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among the members as such be less than sufficient to repay the whole of the paid up capital such assets shall be distributed so that, as nearly, as may be the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of winding up the excess shall be distributed amongst the members in proportion to the Capital at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.
- B. But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.
278. Subject to the provisions of the Act if the Company shall be wound up whether voluntarily or otherwise the liquidator may with the sanction of a Special Resolution and any other sanction required by the Act, divide amongst the contributories, in specie or kind the whole or any part of the assets of the Company, and may, with the like sanction vest any part of the assets of the company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

279. a) Subject to the provisions of Section 201 of the Act, every Director, Manager, Auditor and other Officer or Servant of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the Funds of the Company to pay all costs, losses and expenses



which any such Director, Manager, Auditor or other Officer or Servant may incur or become liable to by reason of any contract entered into, or act or thing done by him as such Director, Manager, Auditor or other Officer or servant or in any way in the discharge of his duties including travelling, expenses and in particular and so as not to limit the generality of the forgoing provisions against all liabilities incurred by him as such Director, Manager, Auditor or other Officer in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or he is acquitted, or in connection with any application under Section 633 of the Act in which relief is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.

SECRECY CLAUSE

280. a) Every Director, (except institutional/ex-officio Director) Auditor, Trustee, member of a committee, officer, servant, agent, accountant or any other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company and all matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, business or customers, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Director, would be inexpedient in the interest of the Company to disclose.

GENERAL POWER

281. Wherever in the Companies Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, than and in that case this Clause hereto authorizes and empowers the Company to have such right, privilege or authority and to carry such transactions as have been permitted by the Act, without there being any specific Regulation in that behalf herein provided.



SECTION IX: OTHER INFORMATION

LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before this Prospectus), which are or may be deemed to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred under material documents below all of which have been attached to the copy of this Prospectus and have been delivered to the SME platform of BSE Limited and may be inspected at the Registered Office of the Company situated at 102/104, Shivam Chambers, S.V. Road, Goregaon (W), Mumbai - 400062 between 10:30 am to 5:30 pm on any working day from the date of this Prospectus until the date of closure of the subscription List.

MATERIAL CONTRACTS

1. Memorandum of Understanding dated 23rd June, 2014 between our Company and the Lead Manager to the Issue.
2. Memorandum of Understanding dated 13th June, 2014 entered into with Big Share Services Private Limited to appointing them as the Registrar to the Issue.
3. Copy of tripartite agreement dated 8th July, 2014 between NSDL, our Company and Big Share Services Private Limited.
4. Copy of tripartite agreement dated 20th June, 2014 between CDSL, our Company and Big Share Services Private Limited.
5. Escrow Agreement dated 8th August, 2014 between our Company, Lead Manager, Bankers to the Issue and the Registrar to the issue.
6. Market Making Agreement dated 23rd June, 2014 between our Company, Lead Manager and Market Maker.
7. Underwriting Agreement dated 23rd June, 2014 between our Company and Underwriters.

DOCUMENTS FOR INSPECTION

8. Memorandum and Articles of Association of our Company as amended from time to time.
9. Copy of the resolution passed at the meeting of the Board of Directors held on 5th May, 2014 approving the issue.
10. Copy of the resolution passed by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on 2nd June, 2014.
11. Copy of board resolution dated 2nd June, 2014 appointing Mr. Vikram Jayantilal Lodha as the Whole Time Director of our Company for a period of three years w.e.f. 1st June, 2014 and approving their remuneration and terms.
12. Consents of the Directors, Company Secretary/Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditors, Lead Manager to the Issue, Underwriters, Market Makers, Bankers to the Issue, Legal Advisors to the Issue, and Registrars to the Issue, to include their names in the Prospectus to act their respective capacities.
13. Copies of Annual Reports of our Company for preceding five financial years i.e. for the financial years viz 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14.



14. Audit report and restated financial information issued by our Peer Review Auditors i.e. M/s. Ramanand & Associates, Chartered Accountants, dated 23rd June, 2014 included in the Prospectus.
15. Letter dated 24th June, 2014 from the statutory Auditors of our Company, M/s. Dimple N Punmiya, Chartered Accountants, detailing the tax benefits.
16. Copy of certificate from the statutory Auditors of our Company, M/s. Dimple N Punmiya, Chartered Accountants, dated 24th June, 2014 regarding the sources and deployment of funds as on 31st March, 2014.
17. Board Resolution dated 18th August, 2014 for approval of Prospectus.
18. Due Diligence Certificate dated 24th June, 2014 be submitted to SEBI from Lead Manager viz. Guinness Corporate Advisors Private Limited along with the filing of the Prospectus.
19. Copy of approval from BSE vide letter dated 8th August, 2014 to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of 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

All the relevant provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, as the case may be. We further certify that all statements in this Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS

Mr. Jayantilal Hansraj Lodha
(DIN- 01804241)

Mr. Vikram Jayantilal Lodha
(DIN- 01773529)

Mr. Paras Thakor Shah
(DIN- 06843650)

Mr. Abhishek Ashok Shastri
(DIN- 06901599)

SIGNED BY THE CHIEF FINANCIAL OFFICER

Ms. Mansi Chawhan

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Nishi A Baig

Date: 18.08.2014

Place: Mumbai