DRAFT RED HERRING PROSPECTUS
Dated: July 19, 2018
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

Aakash Educational Services Limited

Our Company was incorporated in New Delhi, India on October 15, 2007 as "Aakash Educational Services Limited", a public limited company under the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi ("**RoC**") and we received a certificate of commencement of business from the RoC on January 9, 2008. Our Company was converted into a private limited company and its name was changed to "Aakash Educational Services Private Limited" and a fresh certificate of incorporation dated June 21, 2014 was issued by the RoC. Subsequently, our Company was converted into a public limited company and a fresh certificate of incorporation dated July 5, 2018 was issued by the RoC. Consequently, our Company's name was changed to "Aakash Educational Services Limited". For further details on change of name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 155.

Registered Office: Plot no. 8, Aakash Tower, Pusa Road, New Delhi 110 005, India
Tel: +91 11 4762 3400; **Fax**: + 91 11 4762 3472; **Website**: www.aakash.ac.in
Contact Person: Veerendra Kumar Achanta, Company Secretary and Compliance Officer
E-mail: compliance@aesl.in
CIN: U80300DL2007PLC169398

OUR PROMOTERS: MR. J.C. CHAUDHRY AND MR. AAKASH CHAUDHRY

INITIAL PUBLIC OFFERING OF 18,500,000 EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH ("EQUITY SHARE") OF AAKASH EDUCATIONAL SERVICES LIMITED ("OUR COMPANY" OR "THE COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING TO ₹ [●] MILLION THROUGH AN OFFER FOR SALE CONSISTING OF 14,427,015 EQUITY SHARES BY MR. J.C. CHAUDHRY AND 1,366,773 EQUITY SHARES BY MR. AAKASH CHAUDHRY (COLLECTIVELY THE "PROMOTER SELLING SHAREHOLDERS") AND 1,865,646 EQUITY SHARES BY MS. KAMLA CHAUDHRY, 389,530 EQUITY SHARES BY DR. AASHISH CHAUDHRY, 225,518 EQUITY SHARES BY DR. MEINAL CHAUDHRY AND 225,518 EQUITY SHARES BY MS. NEETU CHAUDHRY (COLLECTIVELY THE "OTHER SELLING SHAREHOLDERS" AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS", AND SUCH OFFER, THE "OFFER" OR THE "OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING TO ₹ [●] MILLION, FOR PURCHASE BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINAFTER) NOT EXCEEDING 5% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY OF THE FULLY-DILUTED POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 5 EACH. THE PRICE BAND, THE AMOUNT OF DISCOUNT, IF ANY, TO RETAIL INDIVIDUAL INVESTORS (THE "RETAIL DISCOUNT") AND THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (THE "EMPLOYEE DISCOUNT") AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS TO THE OFFER (THE "BRLMS"), AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER, [●] AND [●] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER, [●] (HINDI ALSO BEING THE REGIONAL LANGUAGE OF NEW DELHI WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT WILL BE MADE AVAILABLE TO THE BSE LIMITED (THE "BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE", AND TOGETHER WITH THE BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.*

** Retail Discount of ₹ [●] to the Offer Price may be offered to Retail Individual Investors and an Employee Discount of ₹ [●] to the Offer Price may be offered to the Eligible Employees Bidding in the Employee Reservation Portion.*

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and the terminals of the Syndicate Members (as defined hereinafter) and by intimation to the other Designated Intermediaries (as defined hereinafter).

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") and in compliance with Regulation 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), wherein at least 75% of the Net Offer will be Allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"), provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third will be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion will be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer will be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, up to [●] Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, are required to mandatorily utilize the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the self certified syndicate banks ("**SCSBs**") to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, see "*Offer Procedure*" on page 340.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offering of securities of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 5 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Offer Price (determined and justified by our Company, in consultation with the BRLMs, as stated in "*Basis for Offer Price*" on page 83) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India (the "SEBI"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 15.

COMPANY AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Selling Shareholders, severally and not jointly, assume responsibility only for statements expressly and specifically made by such Selling Shareholder in this Draft Red Herring Prospectus to the extent that such statements contain information in relation to the respective Selling Shareholder and their respective portion of the Equity Shares being offered by them in the Offer and confirms that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange will be the [●]. A signed copy of the Red Herring Prospectus and the Prospectus will be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 406.

BOOK RUNNING LEAD MANAGERS TO THE OFFER			REGISTRAR TO THE OFFER
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 Fax: +91 22 6713 2447 E-mail: aakash.ipo@kotak.com Investor Grievance ID: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	**Citigroup Global Markets India Private Limited** 1202, 12th Floor First International Financial Centre G-Block, Bandra Kurla Complex Bandra (East) Mumbai 400 098 Maharashtra, India Tel: +91 22 6175 9999 Fax: +91 22 6175 9961 E-mail: aakash.ipo@citi.com Investor Grievance ID: investors.cgmib@citi.com Website: http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Contact Person: Nishit Dedhia SEBI Registration No.: INM000010718	**CLSA India Private Limited** 8/F Dalamal House Nariman Point Mumbai 400 021 Maharashtra, India Tel: +91 22 6650 5050 Fax: +91 22 2284 0271 E-mail: aakash.ipo@clsa.com Investor Grievance ID: investor.helpdesk@clsa.com Website: www.india.clsa.com Contact Person: Rahul Choudhary SEBI Registration number: INM000010619	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 E-mail: aakashedu.ipo@linkintime.co.in Website: www.linkintime.co.in Investor Grievance ID: aakashedu.ipo@linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID/OFFER PROGRAM

OFFER/BID OPENING DATE: [●][1]	OFFER/BID CLOSING DATE: [●][2]

(1) Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period will be one Working Day prior to the Bid/Offer Opening Date.
(2) Our Company may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless otherwise specified or the context otherwise indicates, requires or implies, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be deemed to include all amendments, supplements, re-enactments and modifications thereto from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined hereinafter), the following definitions shall prevail.

General Terms

Term	Description
The Company or our Company or we or us or our	Aakash Educational Services Limited, a public limited company incorporated under the Companies Act, 1956, whose registered office is situated at Plot No. 8, Aakash Tower, Pusa Road, New Delhi 110 005, India

Company Related Terms

Term	Description
Aakash ESOP Scheme	The employee stock option scheme instituted by our Company, namely the Aakash Educational Services Limited - Employee Stock Option Plan 2015, as amended. For details, see "*Capital Structure*" on page 66
Aakash Healthcare	Aakash Healthcare Private Limited
Acquisition Agreement 1	Agreement dated April 1, 2008 between our Company and Mr. J.C. Chaudhry for acquisition by our Company of the business of running coaching centers from Mr. J.C. Chaudhry
Acquisition Agreement 2	Agreement dated April 1, 2008 between our Company and Mr. Aakash Chaudhry for acquisition by our Company of the business of running franchisee coaching centers at Mumbai under the name and style of 'Aakash Institute/Aakash IIT-JEE-Mumbai Franchise' from Mr. Aakash Chaudhry
AoA or Articles or Articles of Association	The articles of association of our Company, as amended
Audit Committee	The audit committee of our Board of Directors as described in "*Our Management*" on page 160
Auditors or Statutory Auditors	The statutory auditors of our Company, namely B S R & Co. LLP, Chartered Accountants
Board or Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Corporate Social Responsibility Committee or CSR Committee	The corporate social responsibility committee of our Board of Directors as described in "*Our Management*" on page 160
Deed of Assignment	Deed of assignment dated June 18, 2018 between our Company and J C Jagruti pursuant to which J C Jagruti has assigned all rights, title and interest in certain trademarks, trademark applications and copyrights related to the education business to our Company
Destination Home	Destination Home Private Limited
Director(s)	The director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹ 5 each
Executive Director(s)	The executive Director(s) of our Company
Group Companies	The companies that are covered under the applicable accounting standards and any other company considered material by our Board of Directors, as disclosed in "*Our Group Companies*" on page 181
Independent Director(s)	The independent Director(s) of our Company
IPO Committee	The IPO Committee of our Board of Directors comprising Mr. J.C. Chaudhry, Mr. Aakash Chaudhry and Dr. Pramath Raj Sinha and constituted to facilitate the process of the Offer
J C Jagruti	J C Jagruti Private Limited
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as disclosed in "*Our Management*" on page 160
MoA/Memorandum/Memorandum of Association	The memorandum of association of our Company, as amended
Nomination, Remuneration & Compensation Committee	The nomination, remuneration & compensation committee of our Board of Directors as described in "*Our Management*" on page 160
Non-executive Director(s)	The non-executive Director(s) of our Company
Promoters	The promoters of our Company, namely Mr. J.C. Chaudhry and Mr. Aakash Chaudhry
Promoter Group	The entities and persons constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 176
Registered Office	The registered office of our Company, which is located at Plot No. 8, Aakash Tower, Pusa Road, New

Term	Description
	Delhi 110 005, India
Registrar of Companies or RoC	The Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi
Restated Financial Information	The restated financial statements of our Company, which comprise the restated statement of assets and liabilities as at and for the Financial Years ended March 31, 2018, 2017, 2016, 2015 and 2014, the restated statement of profit and loss, the restated statement of changes in equity and the restated statement of cash flows as at and for the Financial Years ended March 31, 2018, 2017, 2016, 2015 and 2014, and the significant accounting policies, together with the annexures and the notes thereto, which have been prepared in accordance with the Companies Act, 2013, and restated in accordance with the SEBI ICDR Regulations. The Restated Financial Information have been compiled: (a) As at and for the Financial Years ended March 31, 2018 and 2017: from the audited financial statements of our Company as at and for the Financial Years ended March 31, 2018 and 2017 being the comparative period for the Financial Year ended March 31, 2018, prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013, other relevant provisions of the Companies Act and other accounting principles generally accepted in India; (b) As at and for the Financial Years ended March 31, 2016 and 2015: from the audited financial statements of our Company as at and for the Financial Years ended March 31, 2016 and 2015, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as amended, other relevant provisions of the Companies Act and other accounting principles generally accepted in India, which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by our Company on its first time adoption of Ind AS as on the Transition Date; and (c) As at and for the Financial Year ended March 31, 2014: from the audited financial statements of our Company as at and for the Financial Year ended March 31, 2014, prepared in accordance with Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies (Accounting Standards) Rules, 2006, which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by our Company on its first time adoption of Ind AS as on the Transition Date. The Restated Financial Information for the Financial Years ended March 31 2016, 2015 and 2014 are referred to as "the Proforma Ind AS Restated Financial Information" as per the guidance note issued by ICAI.
Shareholders	The holders of the Equity Shares, from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board of Directors as described in "*Our Management*" on page 160
Surabhi Infra	Surabhi Infra & Management Services Limited
Transition Date	The beginning of the earliest period for which our Company has presented its balance sheet under Ind AS in the first annual financial statements, being, April 1, 2016
Whole-time Director(s)	Director(s) in the whole-time employment of our Company

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allotment or Allot or Allotted	Unless the context otherwise requires, the transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus, who has Bid for an amount of at least ₹ 100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid/Offer Period in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors will be submitted and allocation to Anchor Investors will be completed
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in

Term	Description
	consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion, or up to [●] Equity Shares, which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorize an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders, which may be blocked by such SCSB to the extent of the Bid Amount specified in such ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Any Bidder except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	The Escrow Collection Bank(s), Refund Bank(s) and Public Offer Account Bank
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" on page 340
Bid	An indication to make an offer during the Bid/Offer Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors pursuant to submission of the Anchor Investor Application Form, to purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, in accordance with the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly
Bid Amount	In relation to each Bid, the highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of such Bid cum Application Form. For Retail Individual Investors, the Bid Amount will be net of any Retail Discount and for Eligible Employees, the Bid Amount will be net of any Employee Discount The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (which will be net of any Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (which will be net of any Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employee Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (which will be net of any Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be net of any Employee Discount)
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the case may be
Bid Lot	[●] Equity Shares
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids, which will be notified in [●] editions of the English national daily newspaper, [●] and [●] editions of the Hindi national daily newspaper, [●] (Hindi also being the regional language of New Delhi, where our Registered Office is located), each with wide circulation. Our Company may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Designated Intermediaries will start accepting Bids, which will be notified in [●] editions of the English national daily newspaper, [●] and [●] editions of the Hindi national daily newspaper, [●] (Hindi also being the regional language of New Delhi, where our Registered Office is located), each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centers	The centers at which at the Designated Intermediaries will accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process or Book Building Method	The book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer, namely Kotak, Citi and CLSA
Broker Centers	The broker centers notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN or Confirmation of Allocation Note	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors who will be allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted
Citi	Citigroup Global Markets India Private Limited

Term	Description
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
CLSA	CLSA India Private Limited
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 issued by the SEBI
Cut-off Price	The Offer Price finalized by our Company, in consultation with the BRLMs, which may be any price within the Price Band. Only Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which will collect the ASBA Forms used by the ASBA Bidders and a list of which is available on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds from the Escrow Account(s) are transferred to the Public Offer Account or the Refund Account(s) as appropriate and the amounts blocked by the SCSBs are transferred to the Public Offer Account or unblocked, as appropriate, after filing of the Prospectus with the RoC
Designated Intermediaries	Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to the RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated July 19, 2018 filed with the SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible Employees	All permanent and full-time employees of our Company (excluding such employees not eligible to invest in the Offer under applicable law, rules, regulations and guidelines) as of the date of filing of the Red Herring Prospectus with the RoC and who continue to be employees of our Company until the submission of the Bid cum Application Form and are resident and present in India as on the date of submission of the Bid cum Application Form
Eligible FPI(s)	FPI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Employee Discount	A discount of ₹ [●] to the Offer Price that may be offered to the Eligible Employees Bidding in the Employee Reservation Portion, by our Company in consultation with the BRLMs
Employee Reservation Portion	The portion of the Offer, being up to [●] Equity Shares aggregating to ₹ [●] million, available for allocation to Eligible Employees, on a proportionate basis
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favor the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	The agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), the Public Offer Account Bank and the Refund Bank(s) for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, remitting refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with the SEBI as bankers to an issue and with whom the Escrow Account(s) shall be opened, in this case being [●]
First Bidder	Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted and which will not be less than the face value of the Equity Shares
General Information Document or GID	The General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (No. CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by the SEBI, as updated to reflect enactments and regulations to the extent applicable to a public issue, including circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and circular (No. SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 issued by the SEBI, as suitably modified and included in "*Offer Procedure*" on page 340

Term	Description
Kotak	Kotak Mahindra Capital Company Limited
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares, which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer less the Employee Reservation Portion
Non-Institutional Investors or NIIs	All Bidders (including Category III FPIs) that are not QIBs or Retail Individual Investors or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Net Offer, or [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Offer or Offer for Sale	The initial public offering of 18,500,000 Equity Shares for cash at a price of ₹ [●] each, aggregating to ₹ [●] million by way of an offer for sale by the Selling Shareholders. The Offer comprises the Net Offer to the public of [●] Equity Shares aggregating to ₹ [●] million and the Employee Reservation Portion of [●] Equity Shares aggregating to ₹ [●] million for purchase by Eligible Employees
Offer Agreement	The agreement dated July 19, 2018 entered into among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	The final price at which Equity Shares will be Allotted to successful Bidders (except Anchor Investors) as determined in accordance with the Book Building Process and determined by the Company in consultation with the BRLMs, in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus A Retail Discount of ₹ [●] per Equity Share on the Offer Price may be offered to Retail Individual Investors An Employee Discount of ₹ [●] per Equity Share on the Offer Price may be offered to Eligible Employees Bidding in the Employee Reservation Portion
Other Selling Shareholders	Ms. Kamla Chaudhry, Dr. Aashish Chaudhry, Dr. Meinal Chaudhry and Ms. Neetu Chaudhry
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (i.e., the Floor Price) and the maximum price of ₹ [●] per Equity Share (i.e., the Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs and shall be advertised in [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi also being the regional language of New Delhi, where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date
Pricing Date	The date on which our Company, in consultation with the BRLMs, will finalize the Offer Price
Promoter Selling Shareholders	Mr. J.C. Chaudhry and Mr. Aakash Chaudhry
Prospectus	The prospectus for the Offer to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing, *inter alia*, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	'No-lien' and 'non interest-bearing' bank account opened in accordance with Section 40(3) of the Companies Act, 2013, with the Public Offer Account Bank to receive money from the Escrow Account(s) and the ASBA Accounts maintained with the SCSBs on the Designated Date
Public Offer Account Bank	Escrow Collection Bank(s) with which the Public Offer Account shall be opened, being [●]
QIB Portion	The portion of the Offer being at least 75% of the Net Offer, or [●] Equity Shares, which shall be Allotted on a proportionate basis to QIBs, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Allocation Price, as applicable
Qualified Institutional Buyers, QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus for the Offer to be issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon registration with the RoC after the Pricing Date
Refund Account(s)	'No-lien' and 'non interest-bearing' bank account opened with the Refund Bank(s) from which refunds (excluding refunds to ASBA Bidders), if any, of the whole or part of the Bid Amount may be made to the Anchor Investors
Refund Bank(s)	Escrow Collection Bank(s) with which Refund Account(s) shall be opened, being [●]
Registered Brokers	The stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of circular (No. CIR/CFD/14/2012) dated October 4, 2012 issued by the SEBI
Registrar Agreement	The agreement dated July 9, 2018, entered into among our Company and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer	Registrar and share transfer agents registered with the SEBI and eligible to procure Bids at the

Term	Description
Agents or RTAs	Designated RTA Locations in terms of circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 issued by the SEBI
Registrar to the Offer or Registrar	Link Inktime India Private Limited
Retail Discount	A discount of ₹ [●] to the Offer Price that may be offered to the Retail Individual Investors by our Company in consultation with the BRLMs, at the time of making a Bid
Retail Individual Investors or RIIs	Individual Bidders other than Eligible Employees Bidding in the Employee Reservation Portion who have Bid for Equity Shares for an amount of not more than ₹ 200,000 in any of the bidding options in the Net Offer (including HUFs applying through the *karta* and Eligible NRIs) and does not include NRIs (other than Eligible NRIs)
Retail Portion	The portion of the Offer being not more than 10% of the Net Offer, or [●] Equity Shares, which shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Forms. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of the quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self Certified Syndicate Banks/SCSBs	The banks registered with the SEBI and offering services in relation to ASBA, a list of which is available on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=34 and updated from time to time
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, being [●]
Share Escrow Agreement	The agreement to be entered into among our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and the credit of such Equity Shares to the demat account of the Allottees
Selling Shareholders	Together, the Promoter Selling Shareholders and the Other Selling Shareholders
Specified Locations	Bidding Centers where the Syndicate will accept ASBA Forms, a list of which is available at the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time
Syndicate/Members of the Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into among the BRLMs, the Syndicate Members and our Company in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, being [●]
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into among the Underwriters, our Company and the Selling Shareholders on or after the Pricing Date but prior to the filing of the Prospectus with the RoC
Working Day(s)	All days other than the second and the fourth Saturday of a month or a Sunday or a public holiday on which commercial banks in Mumbai, India are open for business, except with reference to announcement of the Price Band and the Bid/Offer Period, "Working Day(s)" will mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, Maharashtra, India are open for business and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day(s)" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circular (No. SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 issued by the SEBI

Industry/Business Related Terms

Term	Description
Aakash Centers	Our classroom centers, including Owned Centers and Franchisee Centers
ACST	Admission Cum Scholarship Test
Agile Boards	Interactive boards at Aakash Centers
AIATS	All India Aakash Test Series
ANTHE	Aakash National Talent Hunt Examination
ATQ	Aakash Talent Quest
CBSE	Central Board of Secondary Education
CRISIL	CRISIL Research, a division of CRISIL Limited
CRISIL Report	A report titled "Assessment of Coaching Industry in India" dated July 12, 2018 prepared by CRISIL
Franchisee	Third party franchisees
Franchisee Agreement	Franchisee agreement entered into with our Franchisees
Franchisee Center	Aakash Center operated by Franchisee
HBSCE	National standard examination in astronomy/biology/chemistry/physics, co-ordinated by the Homi Bhabha Centre for Science Education
IMO	International Mathematics Olympiads

Term	Description
JEE	Joint Engineering Entrance
JSTSE	Junior Science Talent Search Examinations
KVPY	Kishore Vaigyanik Protsahan Yojna
Long-Term Courses	Two-year courses, one-year courses and repeater courses
NAT	National Academic Team
NEET	National Eligibility cum Entrance Test
Net Fees	Fees, net of any concessions and refunds, collected from the students by our Franchisees
NSEJS	National Standard Examinations in Junior Science
NSEs	National Standard Examinations
NSO	National Science Olympiad
NTSE	National Talent Search Examinations
Owned Center	Aakash Center operated by our Company
Profit	Profit for the year as restated
Student Count	Number of students who have paid at least one instalment of the tuition fee component for that course in that fiscal year, in addition to the admission fee and registration fee in that fiscal year or earlier fiscal year in respect of the Long-Term Courses at Owned Centers or Franchisee Centers, and includes carry forward students (i.e. students who were enrolled in the previous year(s) and remained enrolled in the current fiscal year) and students who paid but subsequently dropped out

Conventional Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
Alternative Investment Funds or AIFs	Alternative investment funds as defined in, and registered under, the SEBI AIF Regulations
Arbitration Act	The Arbitration and Conciliation Act, 1996
AS or Accounting Standards	Accounting Standards as notified by Companies (Accounting Standards) Rules, 2016
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I FPIs	FPIs registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II FPIs	FPIs registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III FPIs	FPIs registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	The Companies Act, 1956, to the extent effective and the Companies Act, 2013, to the extent notified, as applicable
Companies Act, 2013	The Companies Act, 2013, to the extent notified, read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 1956	The Companies Act, 1956, to the extent effective read with rules, regulations, clarifications and modifications thereunder
Competition Act	The Competition Act, 2002
COPRA	Consumer Protection Act, 1986
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP or Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant’s identification number
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
EPF Act	Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
ESI Act	Employees’ State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident Account, and has the meaning ascribed to the term “FCNR(B) account” under the Foreign Exchange Management (Deposit) Regulations, 2016
FDI	Foreign Direct Investment
FDI Policy	The ‘Consolidated FDI Policy Circular of 2017’ (No. 5(1)/2017-FC-1) issued by the DIPP, which took effect from August 28, 2017
FEMA	The Foreign Exchange Management Act, 1999, read with the rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year or Fiscal or Fiscal Year or FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First information report

Term	Description
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined in, and registered with, the SEBI under the SEBI FVCI Regulations
GAAR	General anti-avoidance rules
GDP	Gross Domestic Product
GST	Goods and Services Tax
HUF	Hindu undivided family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards notified by the Ministry of Finance on March 31, 2015
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Income-tax Act	The Income-tax Act, 1961
Ind AS	The Indian Accounting Standards referred to and notified under Section 133 of the Companies Act
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015
Previous GAAP	Generally accepted accounting principles in India that were notified by the MCA under the Companies (Accounting Standards) Rules, 2006, and amended pursuant to the relevant provisions of the Companies Act
IPC	Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IST	Indian Standard Time
IT Act	Information Technology Act, 2000
KYC	Know Your Customer
Listing Agreement	The agreement to be entered into between our Company and each of the Stock Exchanges in relation to listing of the Equity Shares on such Stock Exchanges
MAT	Minimum alternate tax
MCA	Ministry of Corporate Affairs, Government of India
Mn/mn	Million
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NEFT	National Electronic Fund Transfer
NR or Non-Resident	A person resident outside India, as defined under the FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI
NRE Account	Non-Resident External Account, as defined under the Foreign Exchange Management (Deposit) Regulations, 2016
NRI	A person resident outside India, who is a citizen of India or an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account, as defined under the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately prior to such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
P&L	Profit and loss
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income-tax Act
PAT	Profit after tax
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RoW	Rest of the World
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI Depository Regulations	The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000

Term	Description
SEBI Ind AS Transition Circular	Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47, dated March 31, 2016 issued by the SEBI
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Portfolio Manager Regulations	The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993
SEBI SBEB Regulations	The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Stock Broker Regulations	The Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
SICA	The erstwhile Sick Industrial Companies (Special Provisions) Act, 1985
Sq. ft./sq.ft.	Square feet
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a State of India
Stock Exchanges	The BSE and the NSE
STT	Securities Transaction Tax
Supreme Court	The Supreme Court of India
Systemically Important Non-Banking Financial Company	In the context of a Bidder, a non-banking financial company registered with the RBI and having a net worth of more than ₹ 5,000 million as per its last audited financial statements
TAN	Tax Deduction and Collection Account Number allotted under the Income-tax Act
TDS	Tax deducted at source
Trade Marks Act	Trade Marks Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Investment Company Act	The United States Investment Company Act of 1940
U.S. Person	U.S. Person as defined under Regulation S
U.S. Securities Act	The United States Securities Act of 1933
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(zn) of the SEBI ICDR Regulations
Year/calendar year	Unless context otherwise required, shall mean the twelve month period ending December 31

The words and expressions used but not defined herein will have the meanings assigned to such terms under the SEBI Act, the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

In "*Main Provisions of the Articles of Association*" on page 385, defined terms have the meaning given to such terms in the Articles of Association. Notwithstanding the foregoing, terms in "*Statement of Special Tax Benefits*", "*Regulations and Policies*", "*History and Certain Corporate Matters*", "*Financial Statements*", and "*Outstanding Litigation and Material Developments*" on pages 86, 151, 155, 189 and 300, respectively, will have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated or the context requires otherwise, the financial data included in this Draft Red Herring Prospectus is derived from the Restated Financial Information. For further information, see "*Financial Statements*" on page 189.

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular Financial Year or Fiscal Year, unless stated otherwise, are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Certain data included in this Draft Red Herring Prospectus in relation to operating metrics, financial and other business related information not otherwise included in the Restated Financial Information has been reviewed and verified by Nangia and Co. LLP, Chartered Accountants.

The GoI has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act, 2013. In terms of the Ind AS Rules, we are required to prepare our financial statements in accordance with Ind AS for periods beginning on or after April 1, 2017 with a Transition Date of April 1, 2016 in accordance with the MCA Notification No. G.S.R. 111(E) dated February 16, 2015.

India has adopted the IFRS-converged accounting standards, and not IFRS. Ind AS, therefore, differs in certain respects from IFRS and other accounting principles and standards with which investors may be more familiar. While in accordance with the SEBI Ind AS Transition Circular, we have provided a reconciliation of Ind AS and Previous GAAP numbers, our Company has not provided reconciliation of its financial information to U.S. GAAP. If we were to prepare our financial statements in accordance with such other accounting principles or U.S. GAAP, our results of operations, financial condition and cash flows may not be consistent with Ind AS numbers. Prospective investors should consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. For details of the differences between Ind AS and other accounting standards and the risks associated with the same, see "*Risk Factors — 33. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP, which investors may be more familiar with and may consider material to their assessment of our financial condition*" and "*Risk Factors — 34. There may be an impact on our financial statements due to the application of Ind AS 115, Revenue from Contracts with Customers, on revenue recognition, transition and disclosures from April 1, 2018*" on pages 34 and 34, respectively.

All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In this Draft Red Herring Prospectus, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Unless stated or the context requires otherwise, any percentage amounts, as included in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 15, 129 and 276, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Information.

Currency and Units of Presentation

All references to "₹ " or "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India.

All references to "US$" or "USD" are to United States Dollars, the official currency of the United States of America.

Certain numerical information has been presented in this Draft Red Herring Prospectus in "million" units. 1,000,000 represents one million and 1,000,000,000 represents one billion. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The table below sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies.

Currency	Exchange rate as at				
	March 28, 2018(1) (₹)	March 31, 2017 (₹)	March 31, 2016 (₹)	March 31, 2015 (₹)	March 28(2), 2014 (₹)
1 USD	65.04	64.84	66.33	62.59	60.10

(Source: www.rbi.org.in)

(1) *The reference rate is not available for March 31, 2018 being a Saturday and March 30, 2018 and March 29, 2018 being public holidays.*
(2) *The reference rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014, being a public holiday, Sunday and Saturday, respectively.*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources such as a report dated July 12, 2018 and titled "Assessment of Coaching Industry in India" (the "**CRISIL Report**") that has been prepared by CRISIL, which report has been commissioned by our Company for the purposes of confirming our understanding of the industry in connection with the Offer.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy, adequacy, completeness or underlying assumptions are not guaranteed and their reliability cannot be assured. Although we believe that industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by our Company, our Directors, our Promoters, the Selling Shareholders, the BRLMs or any of their respective affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 15. Accordingly, no investment decision should be solely made on the basis of such information.

CRISIL has requested the following disclaimer for inclusion of the information in the CRISIL Report in this Draft Red Herring Prospectus:

*"CRISIL Research, a division of CRISIL Limited ("**CRISIL**") has taken due care and caution in preparing this report (the "**Report**") based on the information obtained by CRISIL from sources which it considers reliable (the "**Data**"). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data or the Report and is not responsible for any errors or omissions or for the results obtained from the use of the Data or the Report. The Report is not a recommendation to invest or disinvest in any entity covered in the Report and no part of the Report should be construed as expert advice or investment advice or any form of investment banking activity (within the meaning of any law or regulation). CRISIL especially states that it has no liability whatsoever to the subscribers, users, transmitters or distributors of the Report. Without limiting the generality of the foregoing, nothing in the Report will be construed as CRISIL providing, or intending to provide, any services in jurisdictions where CRISIL does not have the necessary permission or registration to carry out its business activities in this regard. Aakash Educational Services Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division or CRISIL Risk and Infrastructure Solutions Ltd (the "**CRIS**"), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the Report are that of CRISIL Research and not of CRISIL's Ratings Division or CRIS. No part of the Report may be published or reproduced in any form without CRISIL's prior written approval."*

For details of risks in relation to the industry report, see "*Risk Factors – 29. This Draft Red Herring Prospectus contains information from industry sources including a report commissioned from CRISIL. Prospective investors are advised not to place undue reliance on such information*" on page 33.

Further, certain industry related information in "*Risk Factors*", "*Summary of Industry*", "*Summary of Business*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 15, 44, 49, 92, 129 and 276, respectively, has been derived from the CRISIL Report.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 83 includes information relating to our listed peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "propose", "seek to", "likely", "will", "will continue", "will pursue", or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which 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 laws, regulations and taxes, changes in competition in our industry, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- our ability to attract and retain students is heavily dependent on factors including our reputation, our ability to maintain and improve on the number of quality selections in the entrance examinations, and our ability to maintain a high level of service quality;
- we are dependent on our faculty members and our ability to attract and retain them. Any decrease in the number of our faculty members may affect our operations and business;
- our inability to adapt and update our course study material and coaching and testing methods in accordance with the changing curriculum, nature of questions and examination patterns in a timely and effective manner may materially and adversely affect our business and financial condition;
- any decrease in perceived or actual benefits by potential students may discourage students from pursuing the medical and engineering course, reducing demand for our courses;
- any introduction of new laws and regulations for the test preparatory service industry may have an adverse impact on our business, and increase our compliance requirements and costs, which may affect our business adversely in the future;
- we may not be able to renew, maintain or obtain the requisite approvals and registrations;
- our business may be adversely affected if we are unable to maintain and develop our Aakash brand;
- we may have limited control by us on the operations and risk of discontinuation of the Franchisees, which may impact our reputation, business and financial condition adversely;
- we are dependent on a few Franchisee Centers and Franchisees for a substantial part of our franchise business revenue as these Franchisees own multiple Franchisee Centers;
- any breach of our students' safety and security may negatively impact our reputation, business and financial condition;
- we are dependent on the services of our Promoters, Mr. J.C. Chaudhry and Mr. Aakash Chaudhry and other key members of our management team. Any loss of their services may impair our ability to operate effectively and may have an adverse impact on our business and financial condition;
- we may not be able to implement our growth strategy successfully and may be unable to sustain growth at historical levels;
- as a substantial portion of our revenue is from the test preparatory services conducted for the medical and engineering entrance examinations, our revenues may be materially adversely affected if, for regulatory or other reasons, we discontinue any of these courses; and
- our insurance coverage may not adequately protect us against certain operating hazards.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 15, 129 and 276, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses in the future could materially differ from those that have been estimated.

We cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as at the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, our Directors, our Promoters, the Selling Shareholders, the Syndicate or any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company will ensure that investors are informed of material developments from the date of the Red Herring Prospectus until the date of Allotment. The Selling Shareholders will, severally and not jointly, ensure that investors are informed of material developments in relation to statements and undertakings made by them in relation to themselves and their respective portion of the Equity Shares offered in the Offer from the date of the Red Herring Prospectus until the date of Allotment.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described in this section are not the only risks that our Company currently faces. Additional risks and uncertainties not currently known to us or that are currently believed to be immaterial may also have an adverse impact on our business, prospects, cash flows, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, prospects, cash flows, results of operations and financial condition could be materially and adversely affected and the price of our Equity Shares could decline, causing the investors to lose part or all of the value of their investment in the Equity Shares. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, the impact of certain risk factors are not quantifiable and, therefore, cannot be disclosed in such risk factors.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Please see the section "Forward-Looking Statements" on page 13. To obtain a complete understanding, prospective investors should read this section in conjunction with the sections "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 92, 129 and 276, respectively, as well as the other financial information contained in this Draft Red Herring Prospectus.

The industry-related information contained in this section is derived from a report titled "Assessment of Coaching Industry in India" dated July 12, 2018 prepared by CRISIL except for other publicly available information cited in this section. We commissioned the CRISIL Report for the purposes of confirming our understanding of the industry in connection with the Offer. Neither our Company, nor any other person connected with the Offer, including the BRLMs, has independently verified the information in the CRISIL Report or other publicly available information cited in this section. In this regard also see, "Risk Factors – 29. This Draft Red Herring Prospectus contains information from industry sources, including a report commissioned from CRISIL. Prospective investors are advised not to place undue reliance on such information" on page 33.

INTERNAL RISK FACTORS

1. *Our ability to attract and retain students is heavily dependent upon various factors including, but not limited to, our reputation, our ability to maintain and improve on the number of quality selections in the entrance examinations, and our ability to maintain a high level of service quality. Any failure by us to attract or retain new students may impact our business and revenues.*

Our business heavily relies on our reputation as well as the quality and popularity of the test preparatory services provided by us and our visibility and perception among students and their parents. It is important that we retain the trust placed in us by our students and their parents on our result-oriented approach. We must also continue to attract new students and increase the number of students serviced by us at a consistent rate.

We attempt to retain our position by maintaining academic and operational quality and by our ability to improve and add value to the performance of the students enrolled on the courses offered by us. This requires constant updates to the methodology, technology and study material used, along with ensuring that our faculty members are adequately equipped to instruct these students. Further, we rely on a variety of advertising efforts tailored for and targeted at the student community, such as advertising through print, digital and electronic media, outdoor media, below-the-line advertising activities such as distributing leaflets, displays, brochures, and ambient media. Prospective students also gain awareness of our courses and the quality of the test preparatory services at the Aakash Centers through interactions with the students presently enrolled in various courses and former students, as well as through various promotions, seminars and academic events in schools and at the community level.

In addition to test preparatory services, the individual performance of each student also depends on various factors, including personal merit, ability to perform under pressure, physical and mental health, home environment, and peer competition, all of which impacts the selection and rank obtained by the student. The quality of results obtained by the students trained by us in a particular year impacts the number of student enrolments and/or the Student Count for the future years, and if we are unable to maintain our quality of results (i.e. number of selections and selection ranks), the Student Count may decrease and consequently our revenues could be materially and adversely affected. Additionally, if certain students do not complete, or drop-out of, the courses in which they are enrolled, their performance in the examination may be unsatisfactory, and this may adversely impact our business and reputation. The reasons for dropping out of the courses include being unable to cope with the rigor of our Aakash courses, financial issues and health problems. During FY2018, FY2017 and FY2016, students representing 14.22%, 10.35% and 10.87% of our Student Count at Aakash Centers for each fiscal year dropped out of our courses, respectively. We may, in certain instances, also provide refunds to such students who drop-out of the courses. As a result, we may also lose expected potential revenue from these drop-out students, who may potentially discourage other students from joining our courses.

2. ***The test preparatory services industry depends substantially on our faculty members and our ability to attract and retain them. Sudden decrease in the number of our faculty members due to attrition may affect our operations and business. Strong competition in the test preparatory service sector could also decrease our market share and compel us to reduce course fees or provide higher discounts on our course fees. This may have a material adverse impact on our Student Count, revenues and profitability.***

We engage our faculty members pursuant to employment contracts, which generally requires faculty members to stay with us for at least two years from the start of their employment, and their contracts are automatically renewed unless otherwise terminated. Further, as we grow our business operations, we require additional faculty members for Aakash Centers. We may terminate the services of our faculty members due to poor performance or otherwise. As on March 31, 2018, 2017 and 2016, we had 1,969, 1,655, and 1,252 faculty members in our Owned Centers. Factors contributing to such exits include poor performance, inability to cope with our teaching regime, better opportunities, another opportunity arising which is closer to their home, and a desire to start their own test preparatory centers. We may be unable to employ new faculty members in a timely manner in order to replace such exits or to meet the requirements of the new Aakash Centers.

The attrition rate of faculty members in the test preparatory services industry is generally high, as the test preparatory service industry is an extremely competitive market and has lower barriers of entry for new players. We had average attrition rate of about 29.15%, 29.32% and 29.10% in FY2016, FY2017 and FY2018, respectively, from our Owned Centers. Any decrease in the number of our faculty members will affect the operations and continuity in Aakash Centers. We cannot assure you that the remuneration policy or the human resource strategy in place will be sufficient to retain the services of existing faculty members or obtain new faculty members. Any sudden decrease in the number of the faculty members may disrupt the operations of certain of our Aakash Centers for the immediate period until suitable arrangements can be made by us and any delay or difficulties in finding requisite number of faculty members in a timely manner may affect our operations, reputation and, consequently, our business.

Although we generally prohibit our faculty members from engaging in business similar to ours, or competing with us within a radius of ten kilometres from an Aakash Center, in any manner, during the term of their contract with us or post-termination of such contract, this contract may not eliminate the risk pursuant to the termination of the contract of engagement, nor prevent faculty members from starting their individual ventures or team-up with a number of exiting faculty members to start a competing venture. We also impose a non-compete agreement with exiting or retiring faculty members to ensure they do not engage in any business which is in competition with our Company for a period of 12 months after their resignation, termination or retirement. These restrictions may not eliminate the risk of the faculty members joining our competitors, and we may lose important faculty members if we are unable to match the remuneration offered by our competitors to such faculty members. An increase in the payments to be made to the faculty members may have an adverse impact on our revenues and profitability. Additionally, we enter into employment contracts with our faculty members, which contain certain restrictions including non-compete provisions and withholding of a certain portion of the faculty members' salary in the event of termination of employment prior to the lock-in period mentioned in the respective employment agreements, which may not be considered to be reasonable by the courts in India, and, accordingly, may not be enforceable.

We may fail to identify, recruit or retain adequate qualified faculty members. Any failure to meet such human resource requirements may materially adversely affect our growth plans or negatively impact our quality and consistency of our services. While we conduct various training and refresher programs for our faculty members on teaching subjects and methodologies, personality and attitude development, and soft skills such as presentation, communication, leadership and time-management in order to better equip our faculty members and to adapt to the changing needs of our students and examination trends/syllabi, we may not be able to provide such training in a cost-effective manner. All of these factors could materially and adversely affect our reputation, business, financial condition, results of operations and prospects.

As the test preparatory service provider industry in India is an extremely competitive market with low barriers of entry, new competitors may easily enter and compete in this market. We compete with both organized players and unorganized players such as individual tutors and regional or local institutes. Some of these competitors may pay better attention to the individual needs of the students and may be capable of providing more personalized services to each student due to the smaller number of students catered to by them. Further, these unorganized entities offer their services at highly competitive prices, having a well-established presence in their local markets. Factors such as: (a) failure to maintain and enhance our brand and reputation; (b) any actual or perceived reasons leading to reduction of benefits from the courses by the students or their parents; and/or (c) any negative publicity against us, may affect the number of students enrolled in our courses. If the students perceive that the locations of our Aakash Centers or the schedule or the teaching style are unsuitable to them, it may adversely impact our ability to retain and attract new students. We believe that before enrolling with any test preparatory services provider, students consult previous batches of students who had registered on that course. Any kind of student dissatisfaction in relation to any of our services, facilities or methods may impact students' perception of our quality of services, which may materially adversely impact our reputation, future Student Count and, consequently, our business and profitability. Any consolidation among the organized players and/or unorganized players in any region may increase their competitiveness and, therefore, have a material adverse impact on our performance in the region.

The fee charged for the services provided is one of the important factors considered by students and parents while selecting our test preparatory services. While we have not reduced our fees previously, with the increasing number of competitors, we may be compelled to reduce the fees charged, to offer substantial concessions or fee discounts to attract new enrolments. Our inability to enhance our fees or any reduction of fee charges may have an adverse impact on our Student Count, revenues and profitability. In the event of occurrence of any of the above-mentioned risks, we may be unable to attract new, and/or to retain existing students. Any failure by us to retain existing students or to attract new students may adversely impact our business and revenues.

3. ***Our inability to adapt and update our course study material and coaching and testing methods in accordance with the changing curriculum, nature of questions and examination patterns in a timely and effective manner may materially and adversely affect our business and financial condition.***

We compete in a market characterized by continual updates in curriculum and coaching and testing methods, which is intensified by shifts in traditional coaching methods to virtual or digital ones and the increasing use of technology. The type of questions and patterns of entrance examinations may be modified by reducing the time-period of the examination. Curriculum and examination patterns may be altered from time to time, either by government order or by the relevant testing agencies. Any such change to the curriculum and examination pattern to reflect a revised curriculum or otherwise could restrict our ability to respond to the market in a timely manner. In relation to such examinations, the formats and difficulty levels may also vary. In case of such alterations, updates or revisions, the study materials, coaching and testing methodologies and structure of the courses have to be modified to suit the new type of questions and/or examination patterns.

The emergence of new technologies, learning platforms and methods could affect the competitiveness of our services. Any failure to promptly respond to market and industry changes may have a material adverse effect on our business and financial condition.

In particular, the Ministry of Human Resource Development of the Government of India has announced on July 7, 2018 that the NEET and JEE Main examinations will be held twice a year instead of annually, and the tests will be conducted in a computer-based format. We cannot guarantee you that we will be as effective as our competitors in responding to such changes in the NEET and JEE Main examinations. For example, in connection with this change, the dates for the first round of the NEET and JEE Main examinations have been brought forward from April and May to January and February, respectively. In order to finish our courses in time for students to take the first round of these examinations, we will need to make certain changes to how we conduct our courses. This may lead to a modification of our course completion schedule which will result in changes in our operations, which may impact our classroom training model. We cannot guarantee that we will successfully implement changes to our course completion schedules before 2019. We may also need to implement changes to our courses for students who enrol in the second round of examinations which will take place in April and May. It is possible that any changes in the examination pattern may impact overall test results of our students, which may in turn affect our reputation and enrolment. Inability of our students to adapt to the mandatory computer-based format may also result in poor results and impact our enrolment. Any inability on our part to adapt effectively to the changes in the NEET and JEE Main examinations, for the reasons described above or otherwise, may materially and adversely affect our reputation, business, financial condition, results of operations and prospects.

In order to ensure our study materials are up-to-date and accurate, our National Academic Team ("**NAT**") prepares and reviews all of our study materials. This requires considerable planning and time. Further, this may also require additional training to be provided to our faculty members in relation to inclusion of new and advanced topics, including better and improved methods within a short period of time. Failure to update the course materials and to engage, train and retain adequately qualified faculty members may affect our ability to adapt to the changes and, consequently, may affect our business, reputation and revenues. Our admission and course structures and schedules are based on the current timelines for examinations, examination results and re-examinations. If there is any significant change to the timeline for examinations, examination results or re-examinations, this may adversely impact student enrolments and Student Count during our scheduled registration period and course period. We may also have to alter our course structures and schedules on a timely basis to align with any such changes. For example, with the dates for the first round of the NEET examinations being brought forward from April to January pursuant to the announcement by the Ministry of Human Resource Development, we will need to modify our course completion schedule which will result in changes in our operations, and may affect student enrolment for a particular period. A decrease in student enrolments for a particular period would cause a corresponding decrease in Student Count, which will materially adversely impact our revenue and operating profits.

Some entrance examinations are currently regulated. For example, the Central Board of Secondary Education ("**CBSE**") currently regulates, *inter alia*, the National Eligibility cum Entrance Test ("**NEET**") and the Joint Engineering Entrance ("**JEE**") examination for admission to undergraduate courses in medicine and engineering, respectively. These examinations were introduced to replace state examinations in order to combine into national examinations. For more details, please refer to "*Key Regulations and Policies - A. Overview of Medical and Engineering Entrance Examinations*" on page 151. The NEET was first introduced in 2013 but was abolished immediately after the NEET examinations conducted that year, which affected our business and operations. The NEET was re-introduced in 2016. The removal of the NEET in 2014 caused a reduction in our Student Count in FY2014. The JEE Advanced examinations have been conducted in a computer-based format since 2018. From 2019, the JEE Main and NEET examinations will be conducted in a computer-based format. To keep up with the changes, we are introducing a computer-based testing format in FY2019. States have in the past, and may, in the future, implement changes in relation to the use of entrance examinations for entry into colleges. Such changes may adversely affect our Student Count and our revenue. For example, in relation to the NEET, changes in the participation of states in the NEET may affect our business and results of operations. The removal of entrance examinations in certain states may affect our business and results of operations. For the impact of changes in examination patterns and format, see *"Risk Factors –*

16. Our business and revenue fluctuate based on the academic cycle and timelines for entrance examinations, which are seasonal in nature and dependent on the release of the examination results" on page 26.

4. ***We have entered into, and will continue to enter into, related-party transactions.***

We have entered into various transactions with related parties, including our Promoters, Promoter Group and Group Companies, in relation to, among others, rent expenses for the lease of our Registered Office and certain Owned Centers and security deposits paid in connection with such lease arrangements, remuneration to our Directors, retainership services, sale of property, plant and equipment, hostel charges, interest on short term borrowings and sale of fixed assets. For details of our related party transactions, see "*Related Party Transactions*" on page 187. These transactions were entered into during the course of ordinary business with related parties, including our Promoters, Promoter Group and Group Companies but we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. In FY2018, FY2017 and FY2016, our rent expenses paid to our Promoters, Mr. J.C. Chaudhry and Mr. Aakash Chaudhry, amount to ₹ 406.22 million, ₹ 325.68 million and ₹ 301.55 million, respectively. As of March 31, 2018, ₹ 205.66 million was outstanding as security deposit to our Promoters, Mr. J.C. Chaudhry and Mr. Aakash Chaudhry. Further, we completed the sale of certain land, building and assets in respect of premises situated in South Extension, New Delhi, to one of our Promoters, Mr. J.C. Chaudhry, in FY2018 at a price of ₹ 401.00 million (such price being determined based on an independent valuation report), on which we recognized a write down of ₹ 179.23 million as impairment loss in our Restated Financial Information for FY2017. For details on the impairment loss, see "*Financial Statements – Annexure VI – Note 13*" on page 226. For details of the interest of our Promoters in the properties leased from our Promoters, see "*Our Promoters and Promoter Group – Payment of Benefits to our Promoters or Promoter Group – Lease Arrangements with Promoters*", on page 178.

In addition, (i) Mr. J.C. Chaudhry and Mr. Aakash Chaudhry were paid remuneration as Directors and Key Managerial Personnel for FY2018, (ii) Mr. Jai Dayal Chaudhry, brother of Mr. J.C, Chaudhry, a member of our Promoter Group, has been engaged as a Chief Corporate Consultant with our Company and is entitled to a monthly remuneration in accordance with the terms of his consultancy agreement with our Company, and (iii) commissions of a sum of ₹ 44.50 million were also paid to Mrs. Kamla Chaudhry, a Non-executive Director of our Company and spouse of Mr. J.C. Chaudhry and mother of Mr. Aakash Chaudhry, our Promoters, for FY2017. We cannot assure you that the amounts paid under these arrangements were in line with standards in our industry. For further details, please refer to "*Our Management – Payment or Benefit to Directors*" on page 164.

We have also been assigned all rights, title and interest in certain registered trademarks, trademark applications and copyrights owned by J C Jagruti, member of our Promoter Group and one of our Group Companies. For further details, see "*History and Certain Corporate Matters – Summary of Material Agreements"* and "*Government and Other Approvals – Intellectual Property*" on pages 159 and 309, respectively.

There can also be no assurance that we will be able to maintain existing terms, or in case of any future transactions with related parties, that such transactions will be on terms favorable to us. Further, in particular, in the event we are unable to maintain our relationship with our Promoter, Mr. J.C. Chaudhry for any reason, we may have to vacate the properties rented from him as per the lease deeds, and we may be required to make alternate arrangements for such activities, which may not be on terms favorable to us. For properties leased from our Promoter, Mr. J.C. Chaudhry, we have recently renegotiated the terms of such leases, including the rent payable by us, based on an independent valuation report. It is likely that we may enter into related party transactions in the future. Such related party transactions or any future transactions with the related parties may potentially involve conflicts of interest. Further, given that the Company will have several third-party shareholders once listed, such transactions may not be approved by the non-interested Shareholders, as required in terms of applicable law, and as a consequence our Company may not be able to enter into such transactions at all. We cannot assure you that such transactions, individually or in the aggregate will not have a material adverse effect on our business, results of operations, cash flows and financial condition resulting from potential conflict of interest or otherwise. For further details, see "*Our Management – Interest of Directors*", "*Related Party Transactions*" and "*Financial Statements*" on pages 166, 187 and 189, respectively.

5. ***Any decrease in perceived or actual benefits by potential students may discourage students from pursuing medical and engineering courses, reducing demand for medical and engineering courses, which may affect our Student Count and have a material adverse impact on our business, results of operations and prospects.***

Although professional courses such as medical and engineering courses are traditionally one of the more preferred courses in India, there is a risk that there may be reduced interest in the medical and engineering courses for which our courses are designed due to increased interest in other courses such as business management, law and design, specially if there is an abolishment of entrance exams for the other courses. As our revenue is largely dependent on our medical and engineering course offerings, if there is a reduced interest in these courses, it may affect the figures of the Student Count for our courses and thereby materially adversely affect our business, results of operations and prospects.

6. ***The test preparatory services sector in India we operate in is currently not subject to extensive governmental regulation. However, the central or state governments may introduce new laws and regulations for test preparatory service providers in the future. The impact of such laws on the business cannot be ascertained presently and may affect our business adversely in the future. Such regulations and changes may increase our compliance requirements and costs, which may affect our business, results of operations and prospects adversely in the future.***

The test preparatory services sector we operate in is not, at present, extensively regulated by central or state legislations. However, certain state governments, including that of Andhra Pradesh, Goa, Kerala, Telangana and Uttar Pradesh have enacted laws to regulate private test preparatory services centers, requiring them to, among others, obtain a registration for operating the coaching centers, and such registration may be cancelled in the event of violation of the relevant regulations, and the Company may be subject to imposition of penalties. For example, the state government of Goa regulates fees charged by coaching centers such as ours, and requires these centers to submit course prospectus, notes and other material at the time of applying for registration to the state government.

Further, while we are not in a position to predict the likelihood, timing or content of any other regulation or legislation, central or state governments may, however, introduce laws in the test preparatory services sector that may indirectly impact our business or, more specifically, introduce laws regulating the test preparatory services sector more extensively. We may be subject to further legal compliance should there be any changes or introduction of laws regulating the test preparatory service provider industry. We may also need to hire and/or train new staff in order to ensure we comply with such new laws and regulations.

Additionally, any new laws or operating guidelines mandating limitations on, among other things, the number of students enrolled at, or the amount of fees charged from students by, test preparatory centers, or any other conditions on the manner in which we conduct our Aakash Centers, including enhanced student safety and security measures to be adopted, could adversely affect our business, results of operations and prospects.

Such new laws may impact our operations, expansions, fees and other charges. Such regulations may curtail or impose additional and onerous obligations on our operations and may adversely impact our business. Further, the applicable laws may vary in each state, which could restrict our operations to specific states and prevent or slow down our expansion in certain states. In order to comply with such legislation, we may be required to incur greater operational costs, which may have a material adverse impact on our business.

7. ***Our business may be adversely affected if we are unable to maintain and develop our Aakash brand.***

We associate our brand "Aakash" with quality teaching and a consistent student selection track record, particularly for our medical and engineering entrance examination preparatory courses. Continuing to develop awareness of our brand across different geographies in India through focused and consistent branding and marketing initiatives among current and prospective students, their parents, and other players in the test preparatory service industry will be critical to our ability to increase enrolments, Student Count, revenues, penetration of our offerings in existing markets and our expansion into new markets.

Factors that may impair our reputation and dilute the impact of our branding and marketing initiatives include, but are not limited to: (a) failure to allocate appropriate resources and investment in marketing; (b) our ability to innovate and introduce new marketing approaches; (c) the effectiveness of our competitors' business and media strategies; (d) the success of our students' results as compared to the results of students who enrolled in our competitors' courses; (e) any adverse publicity involving Aakash Centers, our students or faculty, including unsubstantiated media reports; and (f) the effectiveness of word-of-mouth marketing and social media reviews by current and former students.

J C Jagruti and Aakash Healthcare, members of our Promoter Group and our Group Companies have a perpetual, royalty-free and non-exclusive license to use the trademark and trade name "Aakash" in respect of certain specified business activities, excluding any education or test preparatory business, in accordance with the respective license letters executed with our Company. Additionally, all of our Franchisees operate under the "Aakash" brand. As such, there is a risk of misuse of our brand by these entities. Any adverse publicity or incident involving these entities, including any negative publicity related to our Franchisees operating under the "Aakash" brand, may impair our reputation and dilute the impact of our branding. For details in relation to the license granted to J C Jagruti and Aakash Healthcare, please refer to *"History and Certain Corporate Matters – Summary of Material Agreements"* on page 159.

Any impairment of our reputation or erosion of our brand due to such factors, or any other risks or uncertainties, may have a material adverse effect on our reputation, business, results of operations and future prospects.

8. ***As of March 31, 2018, 67 out of 170 Aakash Centers are operated through franchisee arrangements, leading to limited control by us on the operations and the risk of discontinuation of the Franchisees, which may impact our reputation, business and financial conditions adversely.***

As of March 31, 2018, 67 Aakash Centers are operated through third party franchisees ("**Franchisees**") with whom we have entered into franchisee agreements ("**Franchisee Agreements**"), to conduct and operate Aakash Centers under the "Aakash Institute", "Aakash IIT-JEE", and "Aakash Foundations" brands. Pursuant to the Franchisee Agreements, we are entitled to a share in the actual fee collected by the Franchisees, and our share is in the range of 25% to 36% of the Net Fees collected, depending upon stream, courses and location. For further details of such arrangements, see "*Our Business – Franchisee Arrangements*" on page 146. Whilst the number of Aakash Centers that are operated through Franchisee arrangements constitutes approximately 39% of our Aakash Centers as of March 31, 2018, the revenue we earn from these Franchisee Centers constituted 16.00%, 16.55% and 14.83% of the total revenue from operations for FY2016, FY2017 and FY2018, respectively. Accordingly, our financial results are affected and dependent upon the operational and financial success of our Franchisees. If our Franchisees are unable to maintain their revenues, it may affect our financial position. In addition, if our Franchisees fail to renew their Franchisee Agreements or terminate their Franchisee Agreements, our revenues from such Franchisees may decrease, which could materially and adversely affect our business and operating results.

We may have a lesser control on the operations of the Franchisee Centers as compared to the Owned Centers, including in relation to marketing activities or hiring of faculty members by Franchisees. Thus, in the event a Franchisee fails to operate the Aakash Center in a manner as stipulated under the relevant Franchisee Agreement or has different strategic priorities, then it may impact our brand image, reputation and the profitability of that Aakash Center, which will cause an impact on our revenue. Further, as our Franchisees are responsible for obtaining the approvals and entering into lease agreements required for their operations, their inability to comply with laws or enter into and/or maintain their contractual obligations applicable to them may impact the operation of these Franchisees. Additionally, if a Franchisee ceases to operate or decides to shut down an Aakash Center, we may be compelled to discontinue such Aakash Center, which may impact the studies of the students enrolled in such Aakash Center and have an adverse effect on our reputation. In FY2018, we closed down six of our

Franchisees due to non-performance and non-compliance with our policies. Of the six centers, we took over two of our Franchisees as the centers were located in profitable markets. While our agreements with our Franchisees require them to use our brand name and other intellectual property strictly in accordance with the Franchisee Agreements, and require them to indemnify us for losses arising out of breach of the Franchisee Agreements, there can be no assurance that there will not be any misuse or mismanagement of our brand name or other intellectual property by the Franchisees. As it is difficult for us to ensure that the reporting of the students attending the courses at the Franchisees are reflected in our records accurately, there is a possibility that there may be inaccurate reporting of revenues by Franchisees, which may impact our share of revenues, causing a material adverse effect on our profitability. Although we have limited oversight of the books of our Franchisees, we conduct surprise inspections periodically to examine the books and ensure that our Franchisees comply with the accounting policies. Any such occurrence may dilute the value of our brand, thereby causing a material adverse effect on our reputation, business and prospects.

We cannot assure you that we will be able to continue to renew the arrangements with Franchisees on terms that are commercially acceptable to us, or at all. We cannot assure you that such Franchisees shall fulfil their obligations under such agreements entirely, or at all, or that they shall not breach certain terms of their arrangements with us, including with respect to payment obligations or other standards, or shall not choose to terminate their arrangements with us. We may have to initiate litigation in respect of any breach by such Franchisees, and such litigation would lead to added costs, and could divert the attention of our management from our operations, and be decided against us, which may adversely affect our business, financial condition and results of operations. For example, we are currently involved in arbitration proceedings with certain of our Franchisees alleging non-compliance with the provisions laid down under the respective Franchisee Agreements.

Even though a Franchisee cannot directly or indirectly be involved in any business or activity similar to our business during the term of the Franchisee Agreement or for a period of two years after its termination, we may not be able to enforce such non-compete clauses. Further, a Franchisee may operate a similar business after the expiry of the non-compete clause, and may use our confidential information and the goodwill and reputation created while operating our Aakash Centers. This may result in loss of business to us and may consequently materially and adversely impact our financial condition, results of operations and prospects.

9. ***We are dependent on a few Franchisee Centers and Franchisees for a substantial part of our franchise business revenue as these Franchisees own multiple Franchisee Centers.***

As at March 31, 2018, 67 out of 170 Aakash Centers are operated by our Franchisees, of which 52% of our Franchisee Centers are owned by five Franchisees. Should there be any disruptions in the operations of these Franchisee Centers, or if we are unable to extend the Franchisee Agreements after the expiry of the term of the respective Franchisee Agreements, it may cause a material adverse effect on our business and prospects.

10. ***Any breach of our students' safety and security may negatively impact our reputation, business and financial condition.***

Safety of students is becoming an increasing area of concern in the test preparatory service industry. A few instances of safety breaches in the recent past by other educational institutions, including the victimization and harassment of students in educational institutions, have recently come into focus. We have, in the past encountered incidents in which our student was harassed by another student or faculty member. In such instances, we immediately investigate the student or faculty member. We have occasionally encountered instances of inappropriate faculty member-student relationships. We exhibit zero tolerance for such impropriety, and, in such cases, the faculty member will be fired and the parents of the concerned student will be notified.

Safety and security of students is a serious issue for educational institutions, students across all educational levels, and their parents. Failure to provide necessary safeguards to prevent the occurrence of harmful incidents or any physical injury to our students may materially adversely affect our reputation, business and financial condition. For example, there have been instances of fire at Owned

Centers in Panchkula, Chandigarh and Ambavadi, Ahmedabad in FY2017. There was no loss of life or injury from these fire incidents. Further, any negative publicity regarding safety and security of students at our Aakash Centers may materially adversely affect the operations of Aakash Centers which, in turn, may materially adversely affect our enrolments and Student Count.

11. ***We are dependent on the services of our Promoters, Mr. J.C. Chaudhry and Mr. Aakash Chaudhry and other key members of our management team. Any loss of their services may impair our ability to operate effectively and may have an adverse impact on our business and financial condition.***

Our success depends largely on the continued services of our Promoters, Mr. J.C. Chaudhry who is also the Chairman cum Managing Director and Mr. Aakash Chaudhry who is also the Chief Executive Officer & Whole-time Director. Mr. J.C. Chaudhry, the Chairman cum Managing Director of our Company has considerable experience in the education and coaching sector. He provides vision, leadership and strategic guidance to our Company along with Mr. Aakash Chaudhry, our Chief Executive Officer & Whole-time Director, who has considerable experience in business management, and conducts day-to-day operations and ensures the growth of our Company. He leads the senior management team in the overall strategic development of our Company. The loss of the services of Mr. J.C. Chaudhry and/or Mr. Aakash Chaudhry may have an adverse effect on our business, financial condition and results of operations. Additionally, we are also dependent on certain other Key Management Personnel, including Mr. Hemant Sultania, our Chief Financial Officer, who has considerable experience in the finance profession. We are also dependent on our Company Secretary, Mr. Veerendra Kumar Achanta, who has considerable experience as a Company Secretary.

Attracting and retaining top-quality managerial talent is essential for our continued growth. If any of the key members of our management team or other Key Management Personnel are unable or unwilling to continue in their present positions or we are unable to find qualified persons for any of these positions, our business, financial condition and result of operations may be materially adversely affected.

12. ***We may not be able to implement our growth strategy successfully and may be unable to sustain growth at historical levels. Our inability to manage growth may have a material adverse effect on our business and results of operations.***

We have experienced high growth in recent years. For example, our total income has grown from ₹ 7,296.16 million in FY2017 to ₹ 9,811.34 million in FY2018, and our profit for the year has increased from ₹ 635.53 million in FY2017 to ₹ 1,601.84 million in FY2018. While no assurance can be given that the past increases in our enrolments, Student Count, revenue and profits will continue, if this growth continues, it will place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across the organization.

The success of our business will depend greatly on our ability to increase Student Count, to continuously enhance the quality of our test preparatory services and students' experience, to offer new offerings and services, launch digital branding and to expand through creating new alliances.

Our business plan includes expansion of our Aakash Centers as well as proposing to offer new products, services and initiatives to students. We continue to explore our business opportunities and to introduce various new initiatives, including new Aakash Centers, as part of our expansion. However, we might not be able to find the right partners for expansion. Some of these new initiatives or Aakash Centers may fail to commence operations due to various factors, and we may be forced to discontinue such operations partially or completely, which may lead to loss of the investments made by us in setting up these initiatives or Aakash Centers. We may stop or reduce operations of a new initiative or an Aakash Center due to various reasons, including high rental costs or unavailability of adequate infrastructure for operations or lack of expected number of Student Count or unavailability of qualified faculty members. Such discontinuation may materially adversely affect our business and results of operation. Further, some of our new initiatives may not commence on time or at all or may be discontinued, or such expansions may not be profitable or may take longer than expected to breakeven, affecting our profitability. We have discontinued six Franchisees in FY2018, taken over two Franchisees out of these six Franchisees, and closed down three Owned Centers in the last three years due to non-performance, failure to deliver academic results and non-compliance with our policies.

Pursuant to the announcement on July 7, 2018 on the recent changes to the NEET and JEE Main examinations, it was also announced that the National Testing Authority ("**NTA**") will establish a network of test practice centers for students in rural areas to practice before the examinations, which facility will be provided free of charge. Although the majority of our Aakash Centers are located in urban or metro areas, we do enrol students from rural areas who travel to our centers to study. It is possible that some such students may choose to forego studying at our Aakash Centers given the opportunity to train and practice at NTA centers, which may adversely affect our enrolments.

We intend to expand across India through Owned Centers and Franchisee arrangements. For further details on terms of our Franchisee Agreements, see "*Our Business – Franchise Arrangements*" on page 146. However, we may fail to identify new cities with sufficient growth potential to expand our network, or we may fail to attract students or increase Student Count or recruit, train and retain qualified faculty members or find suitable franchise partners. In addition, the expansion of our educational services may not succeed due to increased competition, our failure to effectively market our brand and our failure to maintain quality and consistency of our services.

Expansion and future growth will increase demands on our management team, systems and resources, financial controls and information systems. If we fail to manage factors necessary for us to meet our expansion objectives, our growth rate and operating results could be materially adversely affected.

There can be no assurance that we will be able to achieve our expansion goals, in a timely manner, or at all, or that our expansion plans will be profitable. Failure in effectively implementing our growth strategies may result in diminution, loss or write-offs of our investments in such ventures or lines of business, and may have a material adverse effect on our future growth in revenue and profits.

13. ***A substantial portion of our revenue is from the test preparatory services conducted for the medical and engineering entrance examinations, respectively, through our Aakash Centers. If, for regulatory or other reasons, we discontinue any of these courses, our revenues may be materially adversely affected.***

A significant proportion of the fee received, and, consequently, the revenues generated, are from the test preparatory services conducted for the medical and engineering entrance exams. These include test preparatory services conducted for students in Classes 11 and 12, and students after Class 12, who are preparing for the medical and engineering entrance exams. As on March 31, 2018, this sale of service is offered across 170 Aakash Centers, including our Franchisee Centers, which contributed an aggregate of ₹ 9,729.81 million in FY2018 in sale of services, constituting 99.96% of the revenue from operations for that period. As of March 31, 2018, we had 193,313 students in Long Term Courses across the Owned and Franchisee Centers.

Our revenues and growth are heavily dependent upon the number of students serviced by us for the medical and engineering entrance exams through Aakash Centers. Future enrolment of students may vary due to changes in the examination pattern, syllabi or other reasons. Additionally, we may be forced to discontinue any of the courses, partially or completely, due to regulatory or other reasons. Any discontinuation of our Courses, specifically in the entrance exams for medical and engineering courses, for various reasons, including the ones mentioned above, and any change in percentage contribution by revenue or Student Count in our medical or engineering examination preparation courses may affect our business and revenues adversely.

14. ***Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse impact on our business.***

We maintain insurance for all of our assets on gross value. Our insurance policies currently consist of standard fire and special perils policy, burglary standard policy and public liability non industrial policy for our Registered Office and various Owned Centers operated by us. We also maintain group mediclaim insurance policy, group personal accident insurance policy, among other things. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Further, we have not imposed any obligations on our Franchisees to obtain insurance coverage for the Franchisee Centers and accordingly cannot ensure if any or adequate insurance policies are being maintained by the Franchisees. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be materially adversely affected.

We could be held liable for accidents that occur at our Owned Centers. In the event of personal injuries, fires or other accidents suffered by our students. faculty members, or other employees, we could face claims alleging that we were negligent or be held otherwise liable for the injuries. The loss or shutting down of our Aakash Centers could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. In the past, we have experienced two fire incidents at our Owned Centers in Panchkula, Chandigarh and in Ambadvadi, Ahmedabad, resulting in losses on account of fire in branches amounting to ₹ 11.99 million in FY2017. The fire incident at Panchkula was not insured, whereas the fire incident at Ambavadi was insured and we raised a claim of ₹ 9.3 million with our insurance provider for the losses incurred, which is currently pending.

For details of our insurance cover, see "*Our Business – Insurance*" on page 149.

15. ***All but one of our properties on which we run our Owned Centers have been leased from Mr. J.C. Chaudhry, our Promoter or from third parties. Further, the premises on which our Registered Office is located is not owned by us and is leased from Mr. J.C. Chaudhry, our Promoter. In the event of termination or non-renewal of the leases, our business and revenues may be materially adversely affected.***

All but one of the properties on which we operate our Owned Centers are either leased from Mr. J.C. Chaudhry, our Promoter (who is also our Chairman cum Managing Director) or leased from third parties. The lease term of our Owned Centers ranges between 11 months to ten years. The tenure of our lease agreements for the properties expire at regular intervals and we initiate the process of renewing such agreements. Further, we may not be able to comply with the other requirements in relation such lease agreements which includes involvement of the third-party lessors, including registration of such lease agreements. For instance, we have not been able to register our lease agreement in relation to the Aakash Center at Chennai.

Certain of the properties where we operate our Owned Centers have been leased from Mr. J.C. Chaudhry, our Promoter. Further, the premises where our Registered Office is located are not owned by us and are leased from Mr. J.C. Chaudhry, our Promoter. For details in relation to leases with our Promoters, see "*Our Promoters and Promoter Group – Payment of Benefits to our Promoters or Promoter Group – Lease Arrangements with Promoters*" on page 178.

Additionally, some of our centers are operated on properties which are consolidated by joining adjacent properties or across several floors of the same building owned by multiple landlords and may have been obtained on lease from each of the landlords by separate agreements with varying terms. Our inability to renew or extend the lease of any portion of the property from the respective landlords may jeopardize our operations on that location. Further, the renewal of the lease may be on substantially higher lease rentals or onerous lease terms which may affect our performance. If the terms of the leasehold interests expire or are otherwise terminated on such grounds of default included in the respective lease agreements, including default in the payment of rent for a continuous period, we may be unable to extend or renew these interests or enter into new arrangements on economically viable terms or at all, which could result in our inability to continue to operate on those properties. Further, if such properties are leased or sold to a competitor, this may increase competition in that location. Any adverse impact on the ownership rights of the landlords, breach of the contractual terms of any leases or any inability to renew such agreements on acceptable terms may impede the effective future operations of our Aakash Centers. Our franchise partners are responsible for entering and renewing the lease agreements for the Franchisee Centers and we have no control over their ability to renew or enter into such new lease agreements. We cannot assure you that alternative premises will be available at the same or similar costs or locations, in a timely manner or at all. This may have an adverse impact on our business, operations and revenues.

16. ***Our business and revenue fluctuate based on the academic cycle and timelines for entrance examinations, which are seasonal in nature and dependent on the release of the examination results.***

Our business and revenues fluctuate based on the academic cycle of our courses and timelines of the entrance examinations, which are cyclical in nature and dependent on the dates of the board/entrance examinations as well as the release of the examination results. Depending on the timing of examinations and examination results, our Long-Term Courses generally commence in phases starting in April, with repeater courses (which represent a significant portion of our revenue) commencing in phases starting in May. Similarly, our courses generally end in phases in the fourth quarter, depending on the timing of examinations. For our classroom courses (both Long-Term Courses and short-term courses) and Aakash Live courses, we recognize revenue over the duration of the course using the proportionate completion method. Accordingly, we typically recognize higher revenues in the second and third quarters of the financial year, as our courses run fully for those quarters and consequently full revenue is recognized for those quarters. Conversely, because our courses generally run for only part of the first and fourth quarters, we typically recognize lower revenues in those quarters. In terms of our expenses, many of them are fixed in nature and we incur them throughout the year, though some are concentrated or increase in the first quarter, including salary increments for faculty, advertising and publicity expenses to recruit students for courses in the new academic year, and expenses for new centers that have opened but that are not yet conducting courses. As our revenue and expenses can fluctuate quarter-to-quarter, this may result in our Company being more profitable in some quarters, generally the second and third quarters, and less profitable or even loss-making in the other quarters. Given the seasonal factors discussed above, investors are cautioned that any comparison of our results of operations between different periods in a year is not meaningful and should not be relied upon as an indicator of our future business prospects of financial performance and our results of operations for any particular quarter may not be indicative of our results of operations over longer time periods, such as a full fiscal year. Changes in revenue may vary between the same quarter in different years for various reasons, including due to differences arising from changes in dates, patterns or delays of any examinations or counselling schedules. For instance, the change introduced by way of NEET and JEE Main examinations being conducted twice annually may impact any seasonal trends in our financial position and results of operation. Accordingly, any comparison of quarterly growth of our Company over successive financial years may not accurately reflect our financial position and results of operation.

17. ***Most of our Aakash Centers are located in North India. Due to this geographic concentration, our results of operation and growth might be restricted in the event of any adverse changes to the economic and demographic conditions of North India. As most of our Franchisees are concentrated in North and East India, a decrease in Student Count in these regions may have a material adverse effect on our business, results of operations and prospects.***

Our business is dependent on the performance of our Aakash Centers in North India, where we have an aggregate of 79 Aakash Centers as at March 31, 2018, out of which 35 are Franchisee Centers. However, although as at March 31, 2018 we had a total of 170 Aakash Centers, our business, results of operations and financial condition has been and will continue to be dependent on the prevailing conditions in North India and East India. Further, all of our centers in the East India are operated through Franchisees, where we have an aggregate of 28 Franchisees as at March 31, 2018. In the event of a natural calamity, economic slowdown or any disruption in North India, or any developments that makes it difficult for us to operate these Aakash Centers in North India, economically and otherwise, we may experience more pronounced effects on our results of operations or financial condition, than if it were further diversified across different geographical locations.

Our strategic objectives include geographical expansion as well as increasing our penetration across India. A significant drop in Student Count from the northern or eastern regions of India or any factors requiring us to close existing centers or otherwise scale down operations in these regions, or the emergence of a strong pan-India test preparatory company or an aggregation of several strong regional players competing in these areas, may adversely affect our business, results of operations and prospects.

18. ***Our success depends significantly on our ability to continue to innovate and implement technological advances. If we are unable to keep pace with evolving technology and user preferences, our business, results of operations and prospects may be adversely affected. Failure to establish a digital platform may materially adversely affect our competitiveness and impair our ability to service our students.***

Information technology at large is growing and developing rapidly. Online platforms and e-learning are becoming increasingly popular among students due to their convenience and user-friendliness. Our digital learning platforms rely on technology to provide a wide range of services to our clients. If we are unable to keep up with technological changes while our competitors invest in improved or better technologies, they may be able to offer students better products and user experience. If we are unable to effectively complete on IT-enabled services, it could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

Our business requires us to keep abreast with the latest developments in related fields of information technology. Our in-house research and development team works towards improvement of our digital platforms quality and processes innovation. We place emphasis on research and development to enhance our product range and improve our online education platforms. We believe that we have developed strong product design capabilities, which allows us to service our clients more effectively and in a timely manner. If our digital education platforms become obsolete, and we are unable to effectively introduce new products, our business, results of operations and prospects may be materially adversely affected. Although we strive to keep our technology platform current with the latest developments, the technologies, facilities and machinery we currently employ may become outdated or obsolete. The cost of implementing new technologies, upgrading our teaching facilities and retaining our research staff could be significant and could adversely affect our profitability. Our future success will depend on our ability to anticipate and respond to new technologies or changes in students' preferences, especially in the context of digital offerings that we plan to expand into.

We have an arrangement with a global IT company for a period of seven years, through which we intend to develop a digital platform and migrate all of our digital services and products to one integrated platform in addition to other IT support services. The arrangement with the global IT company may be terminated due to, *inter alia*, (1) a material breach of any of the obligations under the arrangements; (2) a failure to meet a minimum service level as prescribed in the arrangement; or (3) without requirement of any reason, by giving the global IT company a prior written notice of at least 90 days. We also currently have arrangements with third party technology platforms and providers, such as Tribyte Technologies Private Limited, Authorgen Technologies Private Limited and Heuristix Digital Technologies Private Limited to provide delivery of our courses through Aakash Live and Aakash iTutor.

There is no guarantee that we will be able to implement our integrated digital platform within our expected timeline or at all. Further, there are various contingencies involved in the successful implementation of our digital platform, including that (i) our arrangement with the global IT company may not proceed successfully and may be terminated as a result, (ii) we may incur additional costs to fully implement the platform, and (iii) the final product may not fully achieve the services and products that we had intended. Issues arising from this project could also divert management time and attention from our operations.

Our failure to implement our integrated digital platform through the global IT company or otherwise could impair our ability to service our students promptly, and could materially and adversely impact our competitiveness, growth and business strategy.

19. ***Failure to obtain, maintain or renew the requisite approvals and registrations may adversely affect our business and operations.***

Failure to obtain, maintain or renew the required approvals and registrations at the requisite time may result in the interruption of our operations and may have a material adverse impact on our business, financial condition and results of operations. In the past, we have not obtained a number of approvals and registrations required for the purposes of operating our Owned Centers. However, as of the date of this Draft Red Herring Prospectus, our Company is in the process of making or has made applications to the relevant authorities for obtaining certain key approvals and registrations required for the purposes of operating our Owned Centers, including registration under applicable coaching center legislations and shops and establishment legislations and trade license. A number of the applications for such approvals are currently pending before the relevant authorities and certain applications for obtaining such key approvals and registrations are yet to be made. For details of applications to be applied for and pending approvals in relation to our Owned Centers, see "*Government and Other Approvals – Approvals in relation to the operations of our Company*" on page 306.

It cannot be assured that the relevant authorities will grant us the approvals and registrations that we have applied for and are currently pending, or that such authorities will not take any action against us on account of our failure to have obtained such approvals and registrations in a timely manner. For instance, we have received a notice dated June 27, 2018 from the District Educational Officer, Himayath Nagar Zone, Hyderabad for allegedly operating our Owned Center at Himayath Nagar, Hyderabad without having obtained a registration under the applicable coaching center legislation. We responded to the notice by a letter dated June 29, 2018 with a copy of the coaching licence application dated June 11, 2018 made by us. For details, see "*Outstanding Litigation and Material Developments – Actions by statutory/regulatory authorities involving our Company*" on page 301. Further, some of these approvals and registrations are subject to certain terms and conditions and it cannot be assured that we will be able to comply with such terms and conditions in a timely manner, or at all, or that such approvals and registrations would not be suspended or revoked, including in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to obtain, maintain or renew the key approvals and registrations that have expired, or any suspension or revocation of any of the approvals and registrations that have been or may be issued to us, may impede our operations. Additionally, any such failure may also result in criminal and civil consequences against us and our Directors and officers, including imprisonment, monetary fines or penalties, as applicable. We may need to apply for more approvals in the future, including renewal of approvals that may expire from time to time. There can be no assurance that the relevant authorities will issue such permits or approvals in the time-frame anticipated by us or at all.

Further, in respect of certain approvals for our Owned Centers which are on leased premises, the landlord of such leased premises is responsible for obtaining and maintaining such approvals. Further, for our Franchisee Centers, our Franchisees are responsible for obtaining and maintaining the requisite approvals. We cannot assure you whether the landlord of the leased premises where our Owned Centers are located and/or the Franchisees have obtained and maintained or will obtain and maintain the requisite approvals and registrations that are required to be obtained by them. In the event any landlord of our Owned Center and/or a Franchisee does not obtain, maintain or renew any approval and/or registration required under applicable laws, it may have an adverse impact on our reputation and we or such Franchisee Center may not be able to continue our operations. For further details, see "*Risk Factors – 8.- As of March 31, 2018, 67 out of 170 Aakash Centers are operated through franchisee arrangements, leading to limited control by us on the operations and the risk of discontinuation of the Franchisees, which may impact our reputation, business and financial conditions adversely.*"

20. ***We depend on third party technology platforms and partners to generate new digital products.***

We currently depend on third party technology platforms and providers such as Tribyte Technologies Private Limited, Authorgen Technologies Private Limited, Heuristix Digital Technologies Private Limited, in order to maintain our digital learning / assessment platforms and generate new digital products. We have an arrangement with a global IT company, through which we intend to develop an integrated digital platform and migrate all of our digital services and products to one integrated platform in addition to other IT support services.

If we are unable to maintain our arrangement with these third party technology platforms and providers, our ability to maintain our digital learning platforms and general new digital products may be affected which could impair our ability to service our students promptly and could materially and adversely affect our competitiveness, revenue and operating results.

Despite our efforts to protect our intellectual property rights, third parties may knowingly or unknowingly infringe, misappropriate or otherwise violate our intellectual property rights and we may not be able to prevent such infringement, misappropriation or violation without substantial expense to us, or the applicable laws may not adequately protect our rights. Monitoring unauthorized use of our intellectual property may be difficult and costly, including the enforcement costs, and we cannot be certain that the steps we will take will be effective to prevent unauthorized use of our intellectual property rights. If a third party uses any of our marks or a mark similar to ours without our consent, we may face the risk of dilution of our brand equity as well as such trademarks being identified with such parties instead of us. Competitors may be able to more effectively mimic our service and methods of operations, the perception of our business and service may become confused in the market, and our ability to attract students may be materially adversely affected. Although there were no copyright infringement disputes relating to our study materials in the past, if a third party uses any of our marks without due authorization, we may face the risk of dilution of our brand. For further details in relation to outstanding litigation in relation to use of our trademarks, see *"Outstanding Litigation and Material Developments"* on page 300.

21. ***Any disruption in our information technology systems may adversely affect our business, results of operations and prospects.***

Our digital offerings rely heavily on the ability of our information technology systems to provide our students the option of distance learning and digital courses via our digital platform on a daily basis and in a timely manner. Our online education platform is supported by our overall digital technology landscape, including our data center, cloud-based telephony, Customer Relationship Management ("**CRM**") platform, e-payment systems and enterprise resource planning systems. Our system is automated, and a prolonged disruption to, or failure of, our information technology systems would limit our ability to carry out the transactions and/or digital courses provided online. This would impair our ability to service our students promptly and could materially and adversely affect our competitiveness, financial condition, cash flows and results of operations and prospects.

The proper functioning of our internet-based digital courses, together with our overall digital technology landscape is important to our business and our ability to compete effectively. Our business activities would be materially disrupted in the event of a partial or complete failure of any of the information technology systems or their backup systems.

Although we back up the information and data on our information technology systems regularly, we cannot assure you that there will not be an unforeseen circumstance or that our disaster recovery planning is adequate for all eventualities. We intend to implement a contingency disaster recovery center for our systems hosted on cloud systems (e.g. Aakash website digital platforms and CRM platform). However, we do not have a fully redundant backup system and any disruption in our systems could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

Our information technology systems are also vulnerable to disruptions from human error, catastrophic events, including natural disasters, lack of capacity during peak learning hours, system failures, power failure, computer viruses, spam attacks, ransom-ware, distributed denial of services attacks, unauthorized access, data leakage and other similar events, and we may not be able to adapt to the evolving technology in the industry. Disruptions to, or instability of, our information technology systems or external technology, or failure to timely upgrade our online digital learning platforms could harm our business, reputation and prospects.

In the past, we have not experienced major failures of our information technology systems, including website downtime and cyber-attacks.

22. ***Failure to protect our intellectual property rights may affect our business and results of operations. We have not obtained registration for some of the trademarks used by us for certain courses and initiatives (although we have made applications for registration) and have no statutory protection in relation to this.***

We conduct our business operations under the brand "Aakash". We also use the trademark Aakash and for our business both of which are owned by us. We have registered these logos as our trademarks in accordance with the Trade Marks Act, 1999 under Class 41, which deals with teaching and coaching institutes and publication of study materials and Class 16, which deals with stationery, manuals, instructional and teaching materials, with the Trade Marks Registry, Government of India. Presently, J C Jagruti and Aakash Healthcare, members of our Promoter Group and our Group Companies have a perpetual, royalty-free and non-exclusive license to use the trademark and trade name "Aakash" subject to the terms of the respective license letters executed with our Company. For details in relation to the license granted to J C Jagruti and Aakash Healthcare, please refer to *"History and Certain Corporate Matters – Summary of Material Agreements"* on page 159. We may face disputes or litigation from other parties in future in relation to the logos or trademarks used by us.

Further, we also use certain other registered and unregistered trademarks (for which application has been made) for some of our courses and initiatives. For details of the key trademarks used by us, see "*Government and Other Approvals – Intellectual Property*" on page 309. If we fail to receive the requisite registration in respect of our unregistered trademarks, we may have to discontinue using these marks. This may affect our brand value and consequently our business and financial condition.

23. ***The course study material prepared by us for our students may be plagiarized, which may have a material adverse effect on our business and results of operations.***

Our curriculum development team prepares the course study material provided to our students internally. Our study material is made available to the students that are enrolled with us. We do not have any system or mechanism to monitor the unauthorized sale of such study material in the open market nor can we effectively restrict reproduction of the study material without our consent.

In relation to our study materials in electronic format, while we employ certain measures to avoid transmission or plagiarism of the study material by any person, including ensuring our study materials are in encrypted formats, our efforts to protect the content developed by us may not be adequate to prevent misappropriation or to detect unauthorized use, or to enable us to be able to enforce our rights in relation to the content developed by us.

Additionally, our competitors may independently develop similar products or duplicate our products or services, as the syllabi for the entrance examinations for which we provide test preparatory services are publicly available. The misappropriation or duplication of our products could disrupt the ongoing business, distract management and employees, reduce revenues and increase expenses. In the future, litigation may be necessary to enforce our rights in relation to the content developed by us, or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time-consuming and costly.

As our course study material may be easily copied and distributed at large, our business and results of operations may be materially adversely affected as a result. Further, we have not obtained registrations under the Copyright Act, 1957 in relation to our study materials. While registration of copyright is not mandatory for acquiring or enforcing a copyright, such registration creates a presumption of ownership of the copyright by the registered owner. In the event of a dispute with respect to our copyright in any of our study materials, we may not be able to adequately protect our intellectual property rights over such study material. Although no legal proceedings have been filed by us in relation to infringement of our intellectual property rights, we have, in the past, sent letters to remove our study materials from certain third-party websites / applications, which were uploaded without our consent and upon receipt of our letter, the study materials were removed. If we fail to monitor and enforce our copyright in our course study material, it may reduce the demand for some of our products and affect our revenue and financial condition.

24. ***There are outstanding legal proceedings involving our Company and our Promoters and Directors.***

Except as stated below, there are no (i) outstanding criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) outstanding direct and indirect tax claims and (iv) material outstanding civil litigation, in each case, involving our Company, our Promoters and our Directors. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, appellate tribunals and arbitrators. Such proceedings could divert management time and attention and consume financial resources in their defense or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable, and may include amounts claimed jointly and severally. The details of such outstanding litigation as at the date of this Draft Red Herring Prospectus are as follows:

Litigation involving our Company

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved (in ₹)
Litigation by our Company			
1.	Criminal cases	9	7,164,750
2.	Taxation cases	1	2,289,534
Litigation against our Company			
1.	Action taken by statutory and regulatory authorities	34	1,167,337[#]
2.	Taxation cases	8	912,566,098
3.	Material civil cases	1	20,000,000*

[#] *To the extent ascertainable. These amounts have been paid and there are no outstanding liabilities on the Company.*
**Plus damages of ₹ 2.5 million per day and future interest of 18% p.a.*

Litigation involving our Promoters

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved (in ₹)
1.	Action taken by statutory and regulatory authorities	19	1,165,537[#]
2.	Material civil cases	1	Not ascertainable

[#] *To the extent ascertainable. These amounts have been paid and there are no outstanding liabilities on the Company.*

Litigation involving our Directors

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved (in ₹)
1.	Action taken by statutory and regulatory authorities	19	1,165,537[#]
2.	Material civil cases	1	Not ascertainable

[#] *To the extent ascertainable. These amounts have been paid and there are no outstanding liabilities on the Company.*

We cannot assure you that these legal proceedings will be decided in favor of our Company, Promoters, and Directors, and that no further liability will arise out of these proceedings. An adverse outcome in any of these proceedings, either individually or in the aggregate, may affect our reputation and standing.

Further, we may be subject to additional litigation and claims in the ordinary course of our business, including claims by our students, ex-faculty members, and ex-franchisees. For example, our students may initiate proceedings against us for use of their information in our publicity materials. While we obtain consents from our students to use their name, rank, photo and testimonials in our publicity materials, our students may contest the validity of such consent. In any such legal proceedings against our Company, we may be restrained from using the details of the students and/or required to pay damages or compensation to such students, which could adversely impact our business, financial condition and reputation. Pursuant to an interim order dated June 1, 2011, the High Court of Delhi has restrained our Company for example, from using the name and photograph of one Mr. Nitin Jain in our advertisements and website. For details, see "*Outstanding Litigation and Material Developments – Litigation involving our Company – Civil litigation against our Company*".

For further details of other outstanding litigation, see "*Outstanding Litigation and Material Developments*" on page 300.

25. ***We have contingent liabilities of ₹ 812.65 million as of March 31, 2018, and our profitability could be materially adversely affected if any of these contingent liabilities materialize.***

The contingent liabilities disclosed in our Restated Financial Information as at March 31, 2018 were ₹ 812.65 million. These contingent liabilities relate to notices on levying of service tax on scholarships/concessions provided to students for FY2013 to FY2016:

Particulars	(*₹ in million*)
Service tax matters (excluding interest and penalty)	812.65
Total	**812.65**

If any of these contingent liabilities materialize, our profitability may be materially adversely affected. For a more detailed description of our contingent liabilities, see "*Financial Statements – Annexure VI – Note 36*" on page 255.

26. ***Our Promoters have significant shareholding in our Company and their interests may conflict with your interests as a shareholder.***

As on the date of this Draft Red Herring Prospectus, our Promoters, together with the members of the Promoter Group, hold approximately 99.88% of our pre-Offer paid-up Equity Share capital. Our Promoters, together with the members of the Promoter Group, will continue to hold significant shareholding post completion of the Offer. Our Promoters could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our best interest. Our Promoters and members of the Promoter Group may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders.

27. ***The grant of options under the Aakash ESOP Scheme will result in a charge to our profit and loss account, and may adversely impact our net income.***

The grant-date fair value of equity-settled share-based payment arrangements granted to employees under the Aakash ESOP Scheme is generally recognized as an employee stock option scheme expense, with a corresponding increase in other equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The increase in other equity recognized in connection with a share-based payment transaction is presented in the "Employee stock option outstanding account", as separate component in equity. For share-based payment awards with market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up. For further details, see "*Capital Structure – Notes to Capital Structure – Aakash ESOP Scheme*" on page 75.

Further, we may continue to introduce such employee stock option schemes in the future, where we issue options to our employees at substantial discount to the market price of the Equity Shares, which may have a material adverse impact on our results of operations and financial condition. The holders of our Equity Shares may experience dilution of their shareholding to the extent that we issue any Equity Shares pursuant to any options issued under our employee stock option schemes.

28. ***Any future issuance of Equity Shares may dilute your shareholdings, and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.***

Other than the grant of options or exercise of options granted under the Aakash ESOP Scheme, we currently do not intend, or propose, to alter the capital structure of our Company or enter into any acquisitions, joint ventures or other arrangements such that it may need to raise further capital or alter its capital structure within a period of six months from the listing of Equity Shares pursuant to the Offer. However, in the event opportunities arise that may require us to raise further capital, it may, subject to compliance with applicable regulations and receipt of approvals, issue shares which may dilute the shareholding of the investors in this Offer.

Any future equity issuances by us or sales of the Equity Shares by our Promoters or other major shareholders, including issuances made pursuant to the Aakash ESOP Scheme instituted by us or to comply with minimum public shareholding requirements, could dilute the shareholding of investors in our Company and may also materially adversely affect the trading price of the Equity Shares. Such issuances, or the perception by potential investors that such issuances or sales might occur, could impact our ability to raise capital through an offering of our securities. For further details on the Aakash ESOP Scheme, see "*Capital Structure – Notes to Capital Structure – Aakash ESOP Scheme*" on page 75.

29. ***This Draft Red Herring Prospectus contains information from industry sources including a report commissioned from CRISIL. Prospective investors are advised not to place undue reliance on such information.***

We have commissioned the CRISIL Report titled "Assessment of Coaching Industry in India" dated July 12, 2018 pursuant to an engagement between CRISIL and our Company. The report uses certain methodologies for market sizing and forecasting for the coaching and test preparatory industry, and is subject to certain disclaimers set out in "*Certain Conventions, Presentation of Financial, Industry and Market Data*" on page 10. Neither we, nor the BRLMs, their associates or affiliates, nor any other person connected with the Offer has verified the information provided by CRISIL and other industry sources.

CRISIL has advised that, while it has taken due care and caution in preparing the report based on information obtained from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the Industry Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of the CRISIL Report or the data therein. The CRISIL Report highlights certain industry and market data relating to our Company and its competitors. Such data is subject to many assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that CRISIL's assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the CRISIL Report is not a recommendation to invest or disinvest in our Company or any company covered in the CRISIL Report. CRISIL has stated that it is not responsible for any loss or damage arising from the use of the Industry Report. You are advised not to unduly rely on the CRISIL Report when making your investment decision.

Accordingly, investors should read the industry-related disclosure in this Draft Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on, this information. See "*Industry Overview*" on page 92.

30. ***The overdraft facility availed to us may be recalled by the lender at any time. We are subject to certain covenants under the overdraft facility that place restrictions on us and may affect our business and operations.***

We have availed an overdraft facility of ₹ 300 million from HDFC Bank Limited pursuant to a sanction letter dated December 26, 2017, which is repayable on demand. Under the terms of such overdraft facility, we are required to inform HDFC Bank Limited in the event of any change or proposed change in the ownership, management or control of our Company, pursuant to which HDFC Bank Limited is entitled to review such facility. Further, the grant of such facility is contingent upon compliance by us with all laws and regulations applicable to its operations, and we are not permitted to use such facility for investments in shares, debentures, advances and inter-corporate loans or deposits to other companies.

Further, we have entered into certain capital commitments with third parties. We cannot assure you that we will be able to fulfil our capital commitments. For further details, see *"Financial Statements"* at page 189.

31. ***Financial misappropriation, theft, employee negligence or similar incidents may adversely affect our results of operations***

We have suffered minor financial losses in the past due to theft by or negligence of our employees. For instance, we have encountered a case of theft by an employee at an Aakash Center in Coimbatore in July 2017. The employee had stolen cash amounting to ₹ 5.08 million. We were able to recover a ₹ 2.1 million of the amount stolen from the concerned employee and have also registered first information report to initiate criminal proceedings against the deviant employee. For details in relation to such cases, please refer to *"Outstanding Litigation and Material Developments – Criminal Proceedings by our Company"* on page 300. Cases of financial misappropriation, theft, employee negligence or similar incidence may adversely affect our revenue and results of operations.

32. ***We have issued equity shares during the last one year at a price that may be below the Offer Price.***

During the one year preceding the date of this Draft Red Herring Prospectus, we have issued equity shares at a price that may be lower than the Offer Price as described below:

Type of Issue	Date of Issue	No. of equity shares issued
Exercise of options granted under Aakash ESOP Scheme	August 10, 2017	10,970
Rights issue	March 29, 2018	315,606

The price at which any equity shares of our Company have been issued by us in the immediately preceding year is not indicative of the price at which they will be issued or traded. For further information, see "*Capital Structure*" on page 66.

33. ***Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our financial statements are prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles or U.S. GAAP, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

34. ***There may be an impact on our financial statements due to the application of Ind AS 115, Revenue from Contracts with Customers, on revenue recognition, transition and disclosures from April 1, 2018.***

Ind AS 115, *Revenue from Contracts with Customers*, deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers, which may have an impact on our revenue recognition, transition and disclosures.

As the Ind AS 115 is not yet in effect, our current financial results were prepared without taking into account the effect of Ind AS 115. Pursuant to adoption of Ind AS 115, with effect from April 1, 2018, we are of the view that the accounting policy for certain streams of revenue and related expenses may undergo a change primarily on account of certain customer acquisition costs for acquiring customers such as payment to schools, which when incurred are recorded as advertisement and publicity expenses, will now be capitalized as cost of obtaining customers which will be amortized over the period of churn of customers. Further, non-refundable fees received from students, who have subsequently left, was credited to revenue when there exists reasonable certainty that the student will not join back the course, will now under Ind AS required to be anticipated and expected value to be recognized from inception. Also, there are certain customer inducement costs for acquiring customers in the nature of cash awards, which when incurred are recorded as advertisement and publicity expenses will now be recorded as a reduction of revenue.

We have decided to adopt this standard by using the cumulative catch-up approach as defined under the standard and accordingly, comparatives for FY 2018 will not be retrospectively adjusted. We will report using Ind AS 115 for the first time for FY2019.

35. ***Our ability to pay dividends in the future is dependent on our earnings and financial condition.***

We have declared dividends on our equity shares in the past and we have a dividend policy. The amount of future dividend payments to be paid by us, if any, will depend on a number of factors, including but not limited to our net profits earned during the financial year after tax, working capital requirement and repayment of debts, if any, retained earnings, repayment of borrowings, contingent liabilities, applicable legal restrictions and any other relevant factors or material events. We may decide to retain all of our earnings to finance the development and expansion of our business for future growth, to generate higher returns for the shareholders or other business purposes and therefore may choose not to declare dividends on the Equity Shares. Accordingly, the amounts paid as dividends in the past are not indicative of the dividend amounts declared and payable if any in the future. For details of our dividend policy, see "*Dividend Policy*" on page 188.

36. ***All but one of our Group Companies have incurred losses during the last three financial years.***

Our Group Companies, aside from Garymuskan Estate Private Limited, have all incurred losses in the last three fiscal years for which their respective audited financial statements were available, as set forth in the table below.

Particulars	Fiscal Year ended (in ₹)		
	2018	**2017**	**2016**
Destination Home	(39,815.00)	(31,481.00)	(27,502.00)
J C Jagruti	(34,130.00)	(110,777.00)	(155,819.00)
Surabhi Infra	(19,474.00)	(6,986.00)	(21,059.00)
Particulars	**Fiscal Year ended (in ₹)**		
	2017	**2016**	**2015**
Aakash Healthcare	(53,363,001.00)	(5,775,938.00)	(3,389,182.00)
Vidhman Estate Private Limited	(577,718.00)	(253,248.00)	279.48

We cannot assure you that our Group Companies will not incur losses in the future or that such losses will not adversely affect our reputation or our business. For further details, see *"Our Group Companies"* on page 181.

37. ***In the event there are inadvertent errors or non-compliances in our regulatory filings, we may be subject to regulatory action and penalties.***

We are required to comply with several regulatory requirements, including filing and reporting under the Companies Act. In the event that we make inadvertent errors or non-compliances in this respect, we may be subject to regulatory action and penalties. For instance, in the case of one of our Directors, Ms. Kamla Chaudhry, we have inadvertently not filed the requisite form informing the RoC that she was re-appointed as a non-executive Director with effect from April 1, 2008. While no regulatory action has been taken against our Company for such non-compliance as of the date of this Draft Red Herring Prospectus, we cannot assure you that we will not be held liable for such non-compliance and that such inadvertent non-compliances will not occur in the future.

38. ***We appoint contract labor for carrying out certain activities such as the positions of security officers and cleaners and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our business, results of operations and financial condition.***

In order to retain flexibility and control costs, we appoint independent contractors who, in turn, engage on-site contract labor for positions such as security guards and cleaners. Although we do not engage these laborers directly, we may be held responsible for any wage payments to be made to such laborers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations, cash flows and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract laborers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations, cash flows and financial condition.

39. ***We have invested in mutual funds which are unsecured and may provide us with reduced dividends.***

We have invested in mutual funds, which are unsecured and may provide us with reduced dividend income. Fluctuations in the value of such investments may materially and adversely affect our business, financial conditions and results of our operations. For details, see "*Financial Statements*" on page 189.

40. ***Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

As of March 31, 2018, we had 4,045 full-time employees, including faculty members. We have not had any instances of strikes or lock-outs since we commenced operations. However, we may experience disruptions in our operations due to disputes or other problems with our workforce, and efforts by our employees to modify compensation and other terms of employment may divert management's attention and increase operating costs. From time to time, we also enter into contracts with independent contractors to complete specific assignments and these contractors are required to provide the labour necessary to complete such assignments by hiring labourers. Although we do not engage these labourers directly, we may be held responsible for wage payments to laborers engaged by the contractors should the contractors default on wage payments. The occurrence of such events could materially adversely affect our business, prospects, financial condition and results of our operations.

41. ***The Selling Shareholders, including the Promoters of our Company who are substantial shareholders, will receive proceeds from the Offer.***

The entire proceeds after deducting relevant Offer related expenses will be paid to the Selling Shareholders in proportion of the respective portions of the Equity Shares transferred by each Selling Shareholder pursuant to the Offer, including our Promoters, Mr. J.C. Chaudhry and Mr. Aakash Chaudhry. Our Company will not receive any proceeds from the Offer. For further details, see "*Objects of the Offer*" on page 81.

EXTERNAL RISK FACTORS

42. ***Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations.***

India's sovereign rating is Baa2 with a "stable" outlook (Moody's), BBB- with a "stable" outlook (Standard & Poor), and BBB- with a "stable" outlook (Fitch Ratings). Any adverse revisions to India's credit ratings by international rating agencies may adversely affect our ratings, terms on which we are able to finance future capital expenditure or refinance any existing indebtedness. This could have a materially adverse effect on our business, financial conditions, results of operations and prospects.

43. ***The Offer Price is not indicative of the market price of the Equity Shares and the trading volume and market price of the Equity Shares may be volatile following the Offer.***

The Offer Price of the Equity Shares will be determined by us in consultation with the BRLMs through the book-building process. The Offer Price will be based on numerous factors, including the basic and diluted earnings per share, price earnings ratio in relation to the offer price per equity share based on face value, comparison with other listed industry peers (if any), and return on net worth as described under "*Basis for Offer Price*" on page 83, and may not be indicative of the market price for the Equity Shares after the Offer. Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the stock exchanges may not develop or be sustained after the Offer. The Offer Price of our Equity Shares may bear no relationship to the market price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter. The market price of our Equity Shares at such times may be subject to significant fluctuations in response to, among other factors, variations in the operating results, market conditions specific to the sector we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world. We cannot assure you that the investors will be able to resell their Equity Shares at or above the Offer Price.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations to our future financial performance, including financial estimates by research analysts and investors;
- changes in research analysts' recommendations;
- announcements by our Company or our competitors relating to significant acquisitions, strategic alliances, joint operations or capital commitments;
- any announcements of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- changes in energy prices;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares. The market price of the Equity Shares may decline below the Offer Price, and investors may not be able to re-sell Equity Shares at or above the Offer Price, resulting in a loss of all or part of the investment. Further, there have been past instances where the market prices of the issued shares have declined below the issue price of the shares within 30 days of listing, and in certain cases have continued to trade at a price lower than their listing price on the 180th day from listing. For details of such past issues, see "*Other Regulatory and Statutory Disclosures*" on page 310.

44. ***Global economic conditions were unprecedented and challenging and have had, and continue to have, a material adverse impact on the Indian financial markets and the Indian economy in general, and, given the same economic conditions this may, in future, have a material adverse impact on our business and financial performance and may have an impact on the price of the Equity Shares.***

Global market and economic conditions were unprecedented and challenging with tighter credit conditions and recession in most major economies continuing into 2009. Continued concerns about the systemic impact of potential long-term and wide-spread recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for western and emerging economies. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels.

As a result of these market conditions, the cost and availability of credit has been, and may continue to be, materially adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, to cease to provide, credit to businesses and a consumers. These factors have led to a decrease in spending by businesses and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. Continued turbulence in the international markets and economies and prolonged declines in business consumer spending may materially adversely affect our liquidity and financial condition, including our ability to refinance maturing liabilities and access the capital markets to meet liquidity needs. These global market and economic conditions have had, and continue to have, a material adverse impact on the Indian financial markets and the Indian economy in general, which, given the same economic conditions, may in future have a material adverse impact on our business, financial performance and may materially adversely affect the prices of the Equity Shares.

45. ***We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are to be listed on the Stock Exchanges. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health problems in India or in countries in the region or globally, including in India's neighbouring countries;
- macroeconomic factors and central bank regulations, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy; and
- downgrading of India's sovereign debt rating by rating agencies,

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

46. ***The Indian tax regime is currently undergoing substantial changes which could adversely affect our business.***

The goods and service tax ("**GST**") that has been implemented with effect from July 1, 2017 combines taxes and levies by the central and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the central and state governments.

As regards the General Anti-Avoidance Rules ("**GAAR**"), the provisions of Chapter X-A (sections 95 to 102) of the Income tax Act, 1961, are applicable from assessment year 2019 (Fiscal 2018) onwards. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

Any regulations implemented by the government relating to the collection of GST for past fiscal years, or increase in the GST rate, may have a material adverse impact on our business and operations.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if Securities Transaction Tax ("**STT**") is paid on the sale transaction and, additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on long-term capital gains arising from sale of Equity Shares. However, where specified conditions are met, such long-term capital gains are only taxed to the extent they exceed ₹ 100,000 and unrealized capital gains earned up to January 31, 2018 continue to be exempt. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

48. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may materially adversely affect the trading price of the Equity Shares. The limitations on foreign debt may have an adverse impact on our business growth, financial condition and results of operations.***

Foreign ownership of Indian securities is subject to Government regulation. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the applicable pricing guidelines and reporting requirements specified under the FEMA Regulations. However, under certain circumstances, prior approval of the RBI or the Government of India is required if such transfer of shares does not meet the requirements specified under the FEMA Regulations. In addition, non-resident shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax-clearance certificate from the income-tax authorities in India. Where approval from the RBI or any other government agency is required, such approval may not be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources, and hence could constrain our ability to obtain financings on competitive terms and refinance future indebtedness. In addition, it cannot be assured to the prospective investor that the required approvals will be granted to us without onerous conditions, or at all. The limitations on foreign debt may have an adverse impact on our business growth, financial condition and results of operations.

49. ***Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, the composition of our Board of Directors and Indian laws governing our corporate affairs and procedures, directors' fiduciary duties and liabilities, and shareholders' rights, may differ from those that would apply to companies incorporated in other jurisdictions. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholders in an Indian company than as shareholders of a corporation in another jurisdiction.

50. ***Investors may not be able to enforce a judgment of a foreign court against us.***

All of our Directors including our Chairman cum Managing Director, and Chief Executive Officer & Whole-time Director and, are residents of India and substantially all of our assets and the assets of the aforementioned persons are located in India. As a result, it may not be possible for investors outside of India to effect service of process on us or such persons from their respective jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon our civil liabilities or such Directors including our Chairman cum Managing Director and Chief Executive Officer & Whole-time Director under the laws other than Indian Law. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce judgements if it viewed the amount of damages excessive or inconsistent with Indian public policy. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the civil code. Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908, as amended, on a statutory basis. Section 13 of the Code of Civil Procedure, 1908, as amended, provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under Section 14 of the Code of Civil Procedure, 1908, as amended, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, such presumption may be displaced by proving that the court did not have jurisdiction.

Section 44A of the Code of Civil Procedure, 1908, as amended, provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Code of Civil Procedure, 1908, as amended, is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature, or of a fine or other penalties.

51. ***Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade. Further, there is no guarantee that the Equity Shares will***

be listed on the Stock Exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the Stock Exchanges.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account and have been listed and permitted to trade. Upon receipt of the final approval from the Designated Stock Exchange, trading in the Equity Shares is to commence within six Working Days from the Bid/Offer Closing Date. Since the Equity Shares will be traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner within the time-periods prescribed under law.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be applied for or granted until the Equity Shares have been credited to the demat accounts of the successful allottees. Such approval will require the submission of all relevant documents authorizing the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on the Stock Exchanges, which would materially adversely affect our ability to sell the Equity Shares.

52. ***Our Company is not, and does not intend to become, regulated as an investment company under the U.S. Investment Company Act and related rules.***

Our Company has not been and does not intend to become registered as an investment company under the U.S. Investment Company Act of 1940, as amended. Accordingly, unlike registered investment companies, our Company will not be subject to the vast majority of the provisions of the U.S. Investment Company Act, including provisions that require investment companies to have a majority of disinterested directors, provide limitations on leverage and limit transactions between investment companies and their affiliates. None of these protections or restrictions is or will be applicable to our Company.

If our Company was to become subject to the U.S. Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the U.S. Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect our operating results and financial performance. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the U.S. Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity, and shareholders in that entity may be entitled to withdraw their investment.

Our Company is relying on the exemption provided by Section 3(c)(7) of the U.S. Investment Company Act to avoid being required to register as an investment company under the U.S. Investment Company Act and related rules. In order to help ensure compliance with the exemption provided by Section 3(c)(7) of the U.S. Investment Company Act, our Company has implemented restrictions on the ownership and transfer of Equity Shares by any persons acquiring our Equity Shares in the Offer who are in the United States or who are U.S. Persons (as defined in Regulation S under the U.S. Securities Act), which may materially affect your ability to transfer our Equity Shares. See "*Section VII: Offer Related Information – Terms of the Offer – Eligibility and Transfer Restrictions*" beginning on page 329.

53. ***U.S. regulation of investment activities may negatively affect the ability of banking entities to purchase our Equity Shares.***

The Volcker Rule generally prohibits certain banking entities from acquiring or retaining an ownership interest in, sponsoring or having certain relationships with covered funds, subject to certain exclusions and exemptions. As we are relying on an analysis that our Company does not come within the definition of an "investment company" under the U.S. Investment Company Act because of the exception provided under section 3(c)(7) thereof, our Company may be considered a "covered fund" for purposes of the Volcker Rule. The following would be considered a "banking entity" subject to the Volcker Rule: (i) any U.S. insured depository institution, (ii) any company that controls an U.S. insured depository institution, (iii) any non-U.S. company that is treated as a bank holding company for purposes of Section 8 of the International Banking Act of 1978 (i.e., a non-U.S. company that maintains a branch, agency or commercial lending office in the U.S.) and (iv) any affiliate or subsidiary of any of the foregoing under the U.S. Bank Holding Company Act, other than a covered fund that is not itself a banking entity under clauses (i), (ii) or (iii).

There may be limitations on the ability of banking entities to purchase or retain our Equity Shares in the absence of an applicable Volcker Rule exemption. Consequently, depending on market conditions and the banking entity status of potential purchasers of our Equity Shares from time to time, the Volcker Rule restrictions could negatively affect the liquidity and market value of our Equity Shares.

Each investor must make its own determination as to whether it is a banking entity subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares. Investors are responsible for analyzing their own regulatory position and none of our Company, the Managers or any other person connected with the Offer makes any representation to any prospective investor or holder of our Equity Shares regarding the treatment of our Company under the Volcker Rule, or to such investor's investment in our Company at any time in the future.

Prominent Notes

1. Initial public offering of 18,500,000 Equity Shares for cash at a price of ₹ [●] per Equity Share, aggregating to ₹ [●] million, through the Offer for Sale by the Selling Shareholders. The Offer comprises a Net Offer to the public of [●] Equity Shares aggregating to ₹ [●] million and the Employee Reservation Portion of up to [●] Equity Shares aggregating to ₹ [●] million for purchase by Eligible Employees, not exceeding 5% of our post-Offer paid-up equity share capital. The Offer and the Net Offer will constitute [●]% and [●]%, respectively, of the fully-diluted post-Offer paid-up equity share capital of our Company. For further details, see "*The Offer*" on page 56.

2. For details of the change in name of our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus and the reasons for such change, see "*History and Certain Corporate Matters*" on page 155. There has been no change to the objects clause of the Memorandum of Association of our Company or any change in our business activities during the three years immediately preceding the date of this Draft Red Herring Prospectus.

3. Our Company's net worth as at March 31, 2018, as per our Restated Financial Information included in this Draft Red Herring Prospectus was ₹ 588.64 million. For details, see "*Financial Statements*" on page 189.

4. Our Company's net asset value per Equity Share as at March 31, 2018, as per our Restated Financial Information included in this Draft Red Herring Prospectus was ₹ 8.83. For further details, see "*Financial Statements*" on page 189.

5. The average cost of acquisition per Equity Share to the Selling Shareholders as at the date of this Draft Red Herring Prospectus is disclosed below.

Name of the Selling Shareholder	Number of Equity Shares held on the date of this Draft Red Herring Prospectus	Average Price per Equity Share (in ₹)*
Promoter Selling Shareholders		
Mr. J.C. Chaudhry	60,018,060	7.41
Mr. Aakash Chaudhry	2,691,322	7.41
Other Selling Shareholders		
Ms. Kamla Chaudhry	2,550,060	7.41
Dr. Aashish Chaudhry	729,370	7.41
Dr. Meinal Chaudhry	292,404	7.41
Ms. Neetu Chaudhry	292,404	7.41

** As certified by Nangia & Co. LLP, Chartered Accountants by way of their certificate dated July 10, 2018.*

For details, see "*Capital Structure*" on page 66.

6. For details of business and other interests of our Group Companies in our Company, see "*Our Group Companies*" and "*Related Party Transactions*" on pages 181 and 187, respectively.

7. For details of related party transactions entered into by our Company with our Group Companies during the last year immediately preceding the date of this Draft Red Herring Prospectus including the nature and the cumulative value of such transactions, see "*Our Group Companies*" and "*Related Party Transactions*" on pages 181 and 187, respectively.

8. There have been no financing arrangements whereby our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Investors may contact the BRLMs, as well as the Registrar to the Offer for any complaints pertaining to the Offer. For details of contact information of the BRLMs and the Registrar to the Offer, see "*General Information*" on page 58.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Investors should note that this is only a summary of the industry in which our Company operates and does not contain all information that should be considered before investing in the Equity Shares. Investors should read this Draft Red Herring Prospectus, including the information in "Industry Overview" and "Financial Information" beginning on pages 92 and 189, respectively. An investment in the Equity Shares involves a high degree of risk and for details relating to such risks, see "Risk Factors", beginning on page 15.

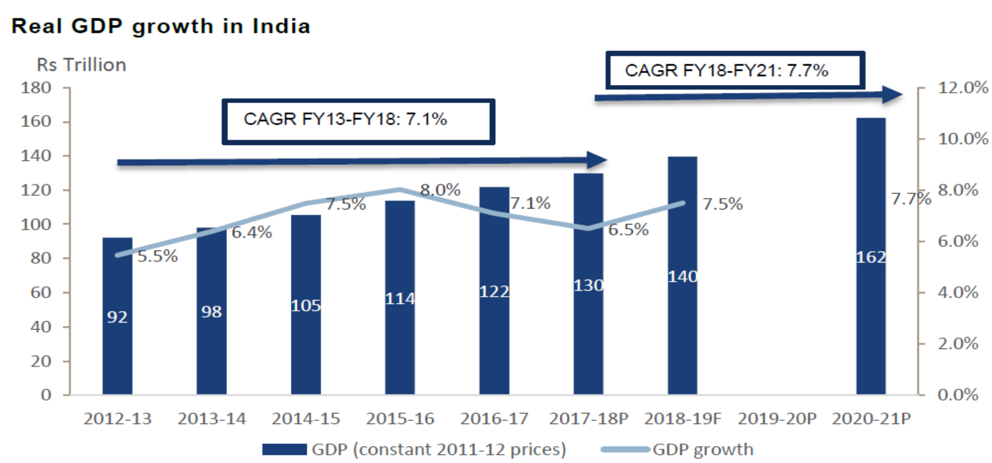
*We have commissioned CRISIL Research to undertake a research report titled "Assessment of Coaching Industry in India" dated July 12, 2018 (the "**CRISIL Report**") for reference in this Draft Red Herring Prospectus. The CRISIL Report uses certain methodologies for market sizing and forecasting. Neither we, any of the Book Running Lead Managers, nor any other person connected with the Offer, have independently verified such data and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data and are not responsible for any errors or omissions or for the results obtained from the use of the data or their report. Accordingly, investors should not place undue reliance on, or base their investment decision solely on, this information.*

Industry and market data used in this section have been extracted from the CRISIL Report. For further details and risks in relation to the CRISIL Report, see "Risk Factors – 29. This Draft Red Herring Prospectus contains information from industry sources including a report commissioned from CRISIL Research. Prospective investors are advised not to place undue reliance on such information." on page 33.

OVERVIEW OF THE MACROECONOMIC SCENARIO IN INDIA

GDP to grow at a faster pace over the next three years

Consumption and investment constitute the growth engine of any economy. In recent years, India's growth has been firing on the consumption cylinder, while the power of investment has been declining. Gross domestic product (GDP) at constant FY 2012 prices expanded at 7.1% compound annual growth rate (CAGR) between FYs 2013 and 2018. Improving industrial activity, lower crude oil prices and supportive policies post 2014 were, however, reduced in FY 2017, owing to demonetization, dwindling private investment, and slowing global growth.



Note: P-Projected, Nominal value also accounts for the impact of inflation; on the other hand, real value is adjusted for inflation

Source: CSO (Central Statistical Organisation), CRISIL Research, IMF

Faster growth in GDP and per capita GDP over the next three years will likely translate into rising income, which, in turn, is favorable for growth in the education sector. The robust growth in household income will provide an impetus to investment in education.

Higher spending on education

Private Final Consumption Expenditure (PFCE) incurred on education has witnessed faster growth than the overall PFCE. The government's emphasis on improving access to education, an increasing awareness of a good quality of education leading to a shift in preference towards the private education segment, as well as increasing expenditure in non-formal education segments in order to succeed amongst strong competition, have all contributed to the faster growth.

AN OVERVIEW OF THE EDUCATION INDUSTRY

The education sector is a good indicator of a country's economic growth as well as its social transformation. Expenditure on education is seen more as an investment for the future. India's expenditure on education as a percentage of GDP has been in the range of around 3.5-4.5% between 2000 and 2014, which is on par with the world average.

In India, the education industry can broadly be classified into two categories: formal and non-formal. The formal category comprises the K-12 segment (kindergarten to grade 12 (K-12) school education), and higher education (including graduation and post-graduation courses, such as traditional courses – like arts, science and commerce - and professional courses such as engineering and management). The K-12 segment is the largest segment within the education industry in India. The non-formal category largely comprises segments such as pre-school, vocational training, publishing, digital education, test preparation and coaching classes. The coaching and test-preparatory segment caters to the needs of private coaching for curriculum-based K-12, undergraduate and graduate courses (cumulatively referred to as "curriculum-based coaching") as well as for competitive exams (referred to as "test-preparation coaching"). Curriculum-based coaching augments basic education, test-preparation coaching enables students to perform better in various entrance exams and placement processes. This segment is non-formal but forms an integral part of India's education sector. Also, the level of regulations in the non-formal segment are relatively low as compared to highly regulated formal segment.

The digital education industry comprises companies providing multimedia content and digital hardware, to aid teaching in schools (both private and government), colleges and training centers, and for personal usage as well as corporates.

India's education industry was estimated at ₹ 8,400-8,600 billion (USD 130-135 billion) in FY 2018. The formal K-12 and higher education segments have a lion's share of the market, while the coaching and test preparatory segments together account for 27% of the market.

Education industry revenue projected to grow at 14% CAGR over next three years

India's education industry was estimated at ₹ 8,400-8,600 billion in FY 2018. The industry grew at a 15% CAGR (compound annual growth rate) between FYs 2013 and 2018, driven by a healthy growth of 17% CAGR in the non-formal segment. The formal segment, which accounts for approximately two-thirds of the sector, grew at a CAGR of 13% between FYs 2013 and 2018. CRISIL Research expects the industry to grow at a healthy CAGR of 14% over the next three years; the shares of different segments in the education industry are likely to remain more or less stable.

Key growth drivers in the overall education sector

Rise in urbanization

India's average annual urban population growth rate has been almost double that of the overall population growth rate. Urban areas offer more job opportunities and higher pay. Also, since urban areas provide better access to quality education, people tend to spend more on education.

Demographic dividend to create opportunity

Currently, India is one of the nations with the highest young population, with a median age of 28 years. The age group of 0-40 years is estimated to continue to account for ~70% of the total Indian population by 2025. CRISIL Research expects that the existence of a large share of this age group, coupled with rapid urbanisation and rising affluence, will give rise to a mammoth demand for education in India at all stages.

Rising household spend on education

Rising disposable income increases spending by households in all categories, but education has particularly benefited from such a rise. Households earmark a large portion of their monthly income for securing quality education for their children. According to National Sample Survey Office (NSSO) reports, the average education expenditure per student has grown at a CAGR of 18% during 2008 and 2014 at a relatively faster pace than the growth in incomes.

Low penetration in education gives room for growth and expansion

Despite significant investments and increasing enrolment ratios, India is among the less penetrated regions in the world in terms of education. India's secondary level gross enrolment ratio (GER) of 74% (for 2015) is lower than the world average of 76%, leaving more room for expansion for existing players as well as new entrants. India needs to add over 3.5 million students to its existing secondary enrolments to attain the world average GER over a 4-5 year period. At the higher education and coaching industry level also, the industry remains attractive, with low penetration levels of sub-30%. These factors have driven growth in formal as well as non-formal segments.

ASSESSMENT OF TEST PREPARATORY COACHING INSTITUTES IN INDIA

Test preparatory coaching institutes train students for competitive exams, including in engineering and medicine, for entry into higher educational institutions and civil services exams. These institutes also provide coaching for competitive exams (NTSE, Olympiad) at the school level in the form of foundation courses. Based on our assessment of students enrolled and average fees, CRISIL Research estimated the overall test preparatory market in India to be ~₹ 470 billion (USD 7.3 billion) in FY 2018. Training for JEE and NEET constitutes close to 50% of the market.

Based on the type of delivery, coaching institutes have three main models. While they primarily operate through the traditional classroom model, other models, such as digital learning and distance learning, are gaining popularity and helping players widen their reach. Currently, the share of digital learning in the overall test preparatory coaching market remains below 5%.

The traditional classroom model is the most preferred mode of training as it allows personalised attention, easy doubt clearance and constant monitoring of performance. The digital learning segment has been among the fastest-growing segments in the last few years. Players have introduced digital products including recorded content on personal computers (PCs), laptops, tablets and mobile phones. Apart from recorded content, some institutes have also introduced live/online classroom course, which enables the student to have live interactive sessions while accessing live content from his desired location on PC, tablet or mobile. The segment has many standalone players as well, who are trying to penetrate the market only through the digital platform.

Test preparatory institutes can also be segregated based on their type of operations, such as:

- ***Owned/direct control:*** Under this model, the institute has complete control over operations on the premises. The premises are either owned or leased by the institutes. This model helps maintain complete control over quality and regularly monitors the performance of faculty members.

- ***Franchise:*** Many players also employ the franchise route, which is an asset-light model helping players expand geographically without straining their balance sheets. Under this model, neither the infrastructure nor the faculty are directly controlled by the institute. The institute merely provides permission to a party to use its brand name subject to meeting its minimum requirements in terms of quality, infrastructure and number of students. In many cases, the institute also provides assistance in training faculty members in order to ensure uniformity in quality. In return, the franchisee typically pays a revenue share to the franchisor. The downside in this model is that the service provider runs a reputational risk if the franchisee is unable to provide a consistently superior learning experience.

Typically, larger players use a mix of direct owned and franchise models. Local franchisee partners help in making better connections with the parents, can provide better management, and help reduce operational hassles. However, in the critical markets (higher enrolments, presence of premier institutes in the city, strong student performance), players largely rely on their own branches.

Undergraduate test preparatory segment has highest share in overall test preparatory coaching market

As at FY 2018, the overall market size of the test preparatory market was ~₹ 465-470 billion (~USD 7 billion). The undergraduate test preparatory market (including foundation coaching) constituted the highest market share of ~55%, followed by 31% market share for job-oriented test preparatory courses.

Coaching for medical entrance accounts for the largest share in the undergraduate test preparatory market

The undergraduate test preparatory market primarily constitutes coaching for admission to premier institutes such as IITs and AIIMS, and therefore enjoys a significant market share in the overall test preparatory space. Hence, coaching for engineering and medical entrance exams accounts for ~84% market share in the undergraduate test preparatory space.

With a higher number of possible attempts for NEET (as compared to two for JEE) and a high number of repeaters, the number of students opting for coaching for medical courses has traditionally been higher than engineering courses. Therefore, medical test preparatory coaching has the largest share in the undergraduate test preparatory space. The centralisation of admission for medical colleges through NEET has also contributed to the higher share. The growth and penetration of the test preparatory segment has been robust in India due to a lack of quality teaching offered by the government as well as private schools.

Realisations highest for medical and engineering entrance examinations

Due to the importance of entrance examinations for medical (NEET) and engineering (JEE) courses, the average realisations for players in these segments is substantially higher than in other segments. Further, the skill sets required among faculty members, coupled with intense competition in these exams, lead to higher fees for engineering and medical courses.

Test preparatory coaching industry to see more robust growth over next three years

Over the last five years, the undergraduate test preparatory coaching industry focused on engineering, medical and foundation courses logged a CAGR of ~11% to ₹ 244 billion, primarily driven by a ~15% CAGR in the medical test preparatory segment. Growth in the medical test preparatory coaching segment was significantly higher than that of engineering due to centralisation of admissions for medical colleges through NEET from FY 2017. Centralisation of admissions is likely to have helped organised institutes gain market share from unorganised players in the space, who primarily cater to students appearing for state Common Entrance Tests (CETs). Further, organised institutes have strong expertise in preparation for national level examinations.

The undergraduate test preparatory coaching institutes (for engineering, medical and foundation courses) also recorded strong growth in demand for foundation courses in the last five years.

CRISIL Research believes growth will further accelerate to 16-17% CAGR in the next three years, to over ~₹ 390 billion by 2020-21. Growth in all the three segments is expected to be healthier in the next three years than in the previous five years, for the following reasons:

- In the medical segment, centralisation of admissions for medical colleges through NEET will aid growth of organised test preparatory coaching institutes.

- In the engineering segment, the wide gap in quality between premier institutes and other institutes will lead to more candidates preparing for JEE (Advanced) rather than state CETs.

- The willingness to start preparation for entrance exams from an early age, introduction of mandatory board exams at the school level coupled with increasing awareness among parents will drive growth in the foundation segment.

Intense competition to obtain entry to premier institutes such as IITs, NITs or AIIMS will continue to remain one of the leading factors for growth in the undergraduate test preparatory segment.

Key growth drivers for test preparatory coaching industry

Intense competition for entry into premier institutes to drive coaching demand

There is a significant shortage of seats in premier institutes in the country, thereby leading to intense competition in entrance exams such as JEE and NEET. Moreover, the difference in parameters such as quality of faculty, students, research facilities, placement prospects between premier institutes and other low-tier colleges is substantial, making it vital for students to strive for seats in top institutes only. This creates a market for test preparatory coaching institutes that help students enhance their performance in the entrance tests.

Increase in internet penetration will pave way for growth through digital means

With the rise in internet penetration beyond major cities coupled with players also stepping up their efforts in the digital segment, revenue from the digital segment will likely aid substantial growth for players. Along with recorded lectures, the concept of virtual classrooms may also gain traction in Tier II and Tier III cities, thereby opening up new geographies for players.

Probable implementation of one entrance test for admission to engineering institutes may aid further growth of organised test preparatory coaching institutes

The Ministry of Human Resource Development (MHRD) has been pushing for one centralised exam to secure admission to all the institutes in the country. As a step in that direction, admission for all medical examinations is being carried out through NEET from 2016-17 onwards. A single national level exam (like JEE) for admission to engineering college, if implemented, will also benefit the organised test preparatory institutes as it is their main area of expertise. This will help in increasing the share of the organised sector in the test preparatory segment, as many students will then opt for organised test preparatory institutes. Further, on November 10, 2017, the government approved the setting up of a National Testing Agency (NTA) in order to conduct entrance examinations for higher education institutes. This suggests a step towards streamlining the entrance examinations at national level and a move towards one exam for admissions to all undergraduate courses in the country.

Increase in intake of premier institutes

Government focus on increasing GERs in the higher education segment and an emphasis on increasing the number of good-quality institutes will increase intake. Despite an increase in expected intake of quality institutes, demand will continue to outpace supply. This is expected to lead to higher demand in the test preparatory market. Contemporary teaching methodologies used by organised players, together with a shift in preference towards organised players, will also drive the growth for test preparatory educational institutes.

SUMMARY OF BUSINESS

The following description of our business should be read together with our Restated Financial Information.

*References herein to "we", "our" and "us" are to Aakash Educational Services Limited. Unless otherwise stated, references to "**Student Count**" are to the number of students who have enrolled for a course and paid at least one instalment of the tuition fee component for that course in addition to the admission fee and registration fee in that fiscal year or earlier fiscal year and includes carry forward students (i.e. students who were enrolled in the previous year(s) and remained enrolled in the current fiscal year) and students who paid but subsequently dropped out. The discussion below may contain forward-looking statements and reflects our current views with respect to future events and financial performance, which are subject to numerous risks and uncertainties. Actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read "Risk Factors" and "Forward Looking Statements" beginning on pages 15 and 13 of this Draft Red Herring Prospectus, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Please see the section "Forward-Looking Statements" on page 13. To obtain a complete understanding, prospective investors should read this section in conjunction with the sections "Industry Overview", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 92, 15 and 276, respectively, as well as the other financial information contained in this Draft Red Herring Prospectus.

Industry and market data used in this section have been extracted from the CRISIL Report. For further details and risks in relation to the CRISIL Report, see "Risk Factors – 29. This Draft Red Herring Prospectus contains information from industry sources including a report commissioned from CRISIL. Prospective investors are advised not to place undue reliance on such information" beginning on page 33 and "Certain Conventions, Presentation of Financial, Industry and Market Data" beginning on page 10.

Overview

We are the largest player in the coaching industry in India as measured by revenue in FY2017, according to CRISIL. We provide comprehensive test preparatory services for students preparing for medical and engineering entrance examinations for Class 11 and Class 12 students, and foundation courses (covering school boards and junior competitive examinations) for students across Class 8 to Class 10. We provide our services through classroom-based coaching and digital and distance learning, which supplement our classroom courses and allow students to engage in self-paced learning. We also offer short-term classroom courses to prepare students for upcoming examinations.

The first center under our "Aakash" brand was started in 1988, offering test preparatory services for medical entrance examinations. As of March 31, 2018, we have 170 classroom centers (the "**Aakash Centers**") across 103 cities and 23 states / union territories, of which we operate 67 through Franchisee arrangements. As of March 31, 2018, we have a Student Count of 193,313 in our long-term classroom courses (comprising two-year courses, one-year courses and repeater courses) ("**Long-Term Courses**") (including at Franchisee Centers), and a Student Count of 16,250 in our digital and distance learning courses. Our Student Count (excluding those in short-term or ad-hoc courses) grew at a compound annual growth rate ("**CAGR**") of 16.78% from FY2016 to FY2018. As of March 31, 2018, we employ 1,969 faculty members at our Owned Centers.

We deliver and support our education channels through digital features, including recorded video lectures and integrated test and assessment via Aakash iTutor which includes online assessment and test series via the Aakash Test Management System, and live interactive classes via Aakash Live. These programs expand our geographical reach beyond classrooms by allowing students to learn remotely and yet in an interactive manner. We also use digital features to enhance our classroom students' learning experience, for example through the ability to view video lectures for the lessons they missed and, in foundation classes, through the use of audio-visual technology, such as interactive whiteboards. As of March 31, 2018, we have a Student Count of 7,701 in Aakash Live and Aakash iTutor, and from FY2016 to FY2018, our Student Count in these courses grew at a CAGR of 54.94%.

We categorize our programs into three brands:

(i) ***Aakash Medical***: Started in 1988, we now offer test preparatory courses for students in Class 11 and Class 12, and repeater courses for students who have passed Class 12, undertaking entrance examinations for medical undergraduate degree courses, including the National Eligibility Cum Entrance Test (NEET) and AIIMS MBBS entrance examination. According to CRISIL, we are one of the largest players in the medical test preparatory space. We had a Student Count of 84,834, 93,080 and 117,457 students in our long-term classroom medical courses (including at Franchisee Centers) for FY2016, FY2017 and FY2018, respectively. Among the top 100 selections in 2018 NEET, we produced 53 selections from students in our classroom courses, distance and digital learning courses;

(ii) ***Aakash IIT-JEE***: Started in 2007, we now offer test preparatory courses for students in Class 11 and Class 12, and repeater courses for students who have passed Class 12, preparing for state engineering Common Entrance Tests (CETs) and for Joint Entrance Examinations (JEE) conducted at the state and central levels, including the JEE Main and Advanced. We had a Student Count of 31,479, 27,794 and 32,798 students in our long-term engineering courses (including at Franchisee Centers) for FY2016, FY2017 and FY2018, respectively. Among the top 1,000 selections in JEE Advanced in FY2018, we produced 37 selections from students in our classroom courses, distance and digital learning courses;

(iii) ***Aakash Foundations***: Started in 2009, we now offer test preparatory courses to students in Class 9 to Class 10 for subjects, being Science, Mathematics, English and Social Sciences. For Class 8 students, we only offer test preparatory courses via Aakash Live. In addition, we provide training to these students for central and state board examinations, and for junior competitive scholarship tests and merit tests, such as the Olympiads and National Talent Search Examination ("**NTSE**"). We had a Student Count of 25,899, 33,718 and 43,058 students in our foundation courses (including at Franchisee Centers) for FY2016, FY2017 and FY2018, respectively.

We believe in discovering and nurturing talent. Towards this end, we follow a 5-step admission process, consisting of (i) collecting data on prospective students through school seminars, residential area activities and advertisements, (ii) scholarship examinations, (iii) contacting prospective students and in-branch seminars, (iv) branch visits by prospective student and counselling and, (v) enrolment. We offer a number of scholarship tests, including the Admission Cum Scholarship Test ("**ACST**"), the Aakash National Talent Hunt Examination ("**ANTHE**") and, launched most recently, the Aakash Talent Quest ("**ATQ**"). We provide scholarships for qualifying students from these tests to enrol in our programs. These tests allow students to assess their performance based on their ranking on the merit list, and many students that take these tests subsequently enrol in our courses.

We have a National Academic Team, comprising around 73 faculty members, which monitors our academic services and student performance. This team is responsible for content generation, faculty selection and appraisal and faculty training, and ensuring standardized coaching methods and content across Aakash Centers. Our Chief Executive Officer & Whole-time Director, Mr. Aakash Chaudhry, heads our National Academic Team, and our three National Academic Directors oversee our medical, engineering and foundation faculties, respectively.

We started our first Franchisee Center in 1997 and had 67 Franchisee Centers as of March 31, 2018. Through our Franchisee model, which allows asset-light expansion, we have grown quickly across new regions such as East India. We receive 25% to 36% of the fees, net of any concessions and refunds ("**Net Fees**"), collected from the students by our Franchisees, depending on the type of courses, stream and location of the Franchisee Centers.

Our revenue from operations for FY2016, 2017 and 2018 was ₹ 5,824.28 million, ₹ 7,224.28 million and ₹ 9,733.32 million, respectively. Our profit for the year as restated for FY2016, FY2017 and FY2018 were ₹ 758.74 million, ₹ 635.53 million and ₹ 1,601.84 million, respectively. Our profit margin (defined as profit for the year divided by revenue from operations) for FY2016, FY2017 and FY2018 was 13.03%, 8.80% and 16.46%, respectively. From FY2016 to FY2018, our revenue from operations and our profit for the year grew at a CAGR of 29.27% and 45.30%, respectively.

Competitive Strengths

The following are our core competitive strengths:

- Market leading position with strong brand recognition and presence across India
- Diversified course offerings and delivery channels
- Strong digital offerings leveraging on technology to expand our target audience and enhance quality of offerings
- Standardized content and coaching methods and qualified faculty deliver strong selection track record
- Scalable and efficient business model for a growing industry
- Strong, experienced, diverse and professional management team

Strategies

Our aim is to strengthen our position as an organized and diversified pan-India test preparatory service provider and strengthen our brand recognition by pursuing the following growth strategies:

- Expand network of centers and increase Student Count through marketing
- Increase Student Count in engineering courses
- Enhance our digital offerings and digital brand
- Improve our back-end information technology infrastructure

SUMMARY OF FINANCIAL INFORMATION

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Restated Summary Statement of Assets and Liabilities
(Rupees in millions, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
ASSETS					
Non-current assets					
Property, plant and equipment	1,291.95	1,442.53	1,831.26	1,802.02	1,714.98
Capital work-in-progress	4.20	23.11	27.44	1.13	2.82
Intangible assets	78.19	55.94	54.58	56.42	59.24
Financial assets					
i. Investments	-	-	-	0.10	0.10
ii. Loans	148.63	122.91	102.90	82.51	63.73
iii. Other financial assets	0.15	0.28	7.21	4.30	4.30
Deferred tax assets (net)	309.37	578.04	401.49	336.53	174.97
Income tax assets (net)	283.36	22.95	19.10	19.10	18.02
Other non-current assets	110.32	101.82	106.42	91.74	69.82
Total non-current assets	**2,226.17**	**2,347.58**	**2,550.40**	**2,393.85**	**2,107.98**
Current assets					
Inventories	28.02	40.60	63.66	27.12	9.65
Financial assets					
i. Investments	1,028.25	-	-	-	-
ii. Trade receivables	214.43	200.82	341.65	207.75	89.62
iii. Cash and cash equivalents	331.57	222.90	165.61	151.84	149.85
iv. Bank balances other than cash and cash equivalents, above	356.37	0.60	-	-	-
v. Loans	220.48	134.30	113.48	98.63	89.64
vi. Other financial assets	3.47	77.62	0.10	0.09	1.23
Other current assets	131.99	72.48	90.21	68.16	68.33
	2,314.58	749.32	774.71	553.59	408.32
Assets classified as held for sale	-	401.00	-	-	-
Total current assets	**2,314.58**	**1,150.32**	**774.71**	**553.59**	**408.32**
Total assets	**4,540.75**	**3,497.90**	**3,325.11**	**2,947.44**	**2,516.30**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	277.73	91.41	91.41	91.41	91.41
Other equity	310.91	57.97	766.01	725.09	533.71
Total equity	**588.64**	**149.38**	**857.42**	**816.50**	**625.12**
LIABILITIES					
Non-current liabilities					
Financial liabilities					
i. Borrowings	-	-	7.69	-	171.88
ii. Other financial liabilities	7.84	5.29	3.50	0.04	-
Provisions	112.02	123.26	80.19	42.02	19.48
Other non-current liabilities	102.79	102.42	83.43	56.61	56.83
Total non-current liabilities	**222.65**	**230.97**	**174.81**	**98.67**	**248.19**
Current liabilities					
Financial liabilities					
i. Borrowings	-	-	-	68.22	174.63
ii. Trade payables	326.10	163.15	162.75	172.84	280.94
iii. Other financial liabilities	463.63	372.23	253.43	277.07	233.67
Other current liabilities	2,849.81	2,494.32	1,743.25	1,406.57	914.52
Provisions	89.92	87.85	52.01	33.60	8.91
Current tax liabilities (net)	-	-	81.44	73.97	30.32
Total current liabilities	**3,729.46**	**3,117.55**	**2,292.88**	**2,032.27**	**1,642.99**
Total liabilities	**3,952.11**	**3,348.52**	**2,467.69**	**2,130.94**	**1,891.18**
Total equity and liabilities	**4,540.75**	**3,497.90**	**3,325.11**	**2,947.44**	**2,516.30**

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

Restated Summary Statement of Profit and Loss
(Rupees in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Income					
Revenue from operations	9,733.32	7,224.28	5,824.28	4,648.89	3,277.34
Other income	78.02	71.88	44.28	19.86	21.47
Total income	**9,811.34**	**7,296.16**	**5,868.56**	**4,668.75**	**3,298.81**
Expenses					
Courseware and examination	344.92	281.32	232.23	247.14	198.54
Purchase of stock-in-trade	34.93	38.04	89.28	53.88	29.50
Changes in inventories of stock-in-trade	11.52	14.84	(39.19)	(17.47)	(4.67)
Employee benefit expenses	3,694.90	2,963.22	2,153.63	1,750.11	1,062.65
Finance costs	4.72	9.38	13.34	16.10	39.21
Depreciation and amortisation expense	309.15	304.53	241.61	218.51	61.50
Impairment on assets held for sale	-	179.23	-	-	-
Other expenses	2,984.63	2,448.16	2,010.58	1,866.35	1,343.22
Total expenses	**7,384.77**	**6,238.72**	**4,701.48**	**4,134.62**	**2,729.95**
Profit before tax	**2,426.57**	**1,057.44**	**1,167.08**	**534.13**	**568.86**
Tax expense					
-Current tax	572.24	591.84	469.86	333.25	287.78
-Deferred tax charge /(credit)	252.49	(169.93)	(61.52)	(157.97)	(98.26)
Total tax expense	824.73	421.91	408.34	175.28	189.52
Profit for the year as restated (A)	**1,601.84**	**635.53**	**758.74**	**358.85**	**379.34**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit liability/ (asset)	46.31	(19.10)	(9.90)	(10.64)	(2.40)
Income tax relating to above mentioned item	(16.18)	6.61	3.43	3.59	0.77
Other comprehensive income for the year, net of tax (B)	**30.13**	**(12.49)**	**(6.47)**	**(7.05)**	**(1.63)**
Total comprehensive income for the year as restated (A+B)	**1,631.97**	**623.04**	**752.27**	**351.80**	**377.71**
Earnings per equity share [also refer Annexure VI, note 42(b)]					
Basic earnings per share (INR)	24.26	9.63	11.50	5.44	5.75
Diluted earnings per share (INR)	24.21	9.62	11.50	5.44	5.75

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

Restated Summary Statement of Cash Flows

(Rupees in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
A. Cash flows from operating activities					
Profit before income tax (as restated)	2,426.57	1,057.44	1,167.08	534.13	568.86
Adjustments for:					
Depreciation and amortisation expense	309.15	304.53	241.61	218.51	61.50
Employee share based payment expense	7.70	5.71	3.81	-	-
Net (gain)/loss on disposal of property, plant and equipment and intangible assets	15.94	(1.23)	1.02	1.43	4.39
Net gain on sale of investments	(6.44)	(0.41)	-	-	-
Unrealised loss (net) on investments carried at FVTPL	2.31	-	-	-	-
Unwinding of discount on security deposits	(12.08)	(9.99)	(7.93)	(6.51)	(4.20)
Dividend income on investments	(46.82)	(12.03)	(0.42)	-	-
Interest income	(9.90)	(40.27)	(29.72)	(11.46)	(13.93)
Impairment loss	-	179.23	-	-	-
Finance costs	4.72	9.38	13.34	16.10	39.21
Loss on account of fire at branches	-	11.99	-	-	-
Property, plant and equipment written off	8.83	-	1.14	0.64	0.71
Allowance for doubtful receivables and advances	6.57	3.52	1.08	1.13	0.45
Lease equalisation reserve	1.92	7.44	4.86	3.54	3.69
Advances written off	0.59	5.55	1.98	1.50	1.81
Operating profit before working capital changes (as restated)	**2,709.06**	**1,520.86**	**1,397.85**	**759.01**	**662.49**
Changes in operating assets and liabilities					
(Increase)/Decrease in trade receivables	(20.18)	136.06	(135.62)	(119.16)	(66.65)
(Increase)/Decrease in inventories	13.65	31.28	(33.89)	(17.47)	(4.68)
Increase/(Decrease) in trade payables	162.95	0.41	(10.10)	(108.10)	158.44
(Increase)/Decrease in loans	(102.11)	(33.22)	(19.63)	(22.52)	(63.32)
(Increase)/Decrease in other assets	(68.20)	0.30	(29.44)	(13.08)	(49.00)
Increase in provisions	37.13	59.81	46.68	36.58	5.86
Increase/ (Decrease) in other financial liabilities	89.69	70.27	(31.31)	89.73	95.13
Increase in other liabilities	355.87	770.05	363.51	491.82	468.39
Cash generated from operations	**3,177.86**	**2,555.82**	**1,548.05**	**1,096.81**	**1,206.66**
Direct taxes (paid)/ received (net of refunds)	(832.67)	(681.44)	(470.16)	(293.37)	(257.59)
Net cash inflow from operating activities - Total (A)	**2,345.19**	**1,874.38**	**1,077.89**	**803.44**	**949.07**
B. Cash flows from investing activities					
Payments for acquisition of property, plant and equipment, intangibles and capital work in progress	(230.48)	(454.07)	(309.30)	(316.34)	(484.60)
Payments for purchase of investments	(7,769.98)	(3,700.00)	(110.00)	-	(0.00)
Loan to employees (net)	2.42	3.10	(7.11)	1.32	2.19
Proceeds from sale of property, plant and equipment and intangible assets	445.52	7.12	7.90	2.87	3.49
Proceeds from sale of investments	6,816.68	3,630.41	110.10	-	-
(Payment) for fixed deposits	(348.12)	(1.19)	(2.91)	-	(4.30)
Interest received	6.54	37.48	29.53	12.60	12.90
Dividend received	46.01	12.03	0.42	-	-
Net cash used in investing activities - Total (B)	**(1,031.41)**	**(465.12)**	**(281.37)**	**(299.55)**	**(470.32)**
C Cash flows from financing activities					
Proceeds from borrowings	-	-	16.00	-	14.50
Repayment of borrowings	-	(12.83)	(10.05)	(221.70)	(155.49)
Proceeds from issuance of equity share capital	3.08	-	-	-	-
Securities premium received on issue of shares	413.85	-	-	-	-
Interest paid on bank loans and others	(4.69)	(2.35)	(5.32)	(13.37)	(39.21)
Dividend paid to company's shareholders	(1,343.79)	(1,037.55)	(594.19)	(137.12)	(315.20)
Dividend distribution tax	(273.56)	(299.24)	(120.97)	(23.30)	(53.57)
Net cash used in financing activities - Total (C)	**(1,205.11)**	**(1,351.97)**	**(714.53)**	**(395.49)**	**(548.97)**
D Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	**108.67**	**57.29**	**81.99**	**108.40**	**(70.22)**
E Cash and cash equivalents at the beginning of the year	**222.90**	**165.61**	**83.62**	**(24.78)**	**45.44**
F. Cash and cash equivalents at the end of the year (D)+(E)	**331.57**	**222.90**	**165.61**	**83.62**	**(24.78)**
Reconciliation of cash and cash equivalents as per the cash flow statement					
Cash and cash equivalents as per above comprise of the following					
Cash and cash equivalents	331.57	222.90	165.61	151.84	149.85
Bank overdrafts	-	-	-	(68.22)	(174.63)
Balances as per statement of cash flows	**331.57**	**222.90**	**165.61**	**83.62**	**(24.78)**

a. The Restated Statement of Cash Flows has been prepared in accordance with 'Indirect method' as set out in Ind AS -7 on 'Statement of Cash Flows' as notified under Section 133 of the Companies Act 2013, read with the relevant rules thereunder.

b. The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

THE OFFER

The details of the Offer are disclosed below:

Offer for Sale[(1)(2)]	18,500,000 Equity Shares aggregating to ₹ [●] million
Of which	
Employee Reservation Portion[(3)]	Up to [●] Equity Shares aggregating to ₹ [●] million
Accordingly	
Net Offer	[●] Equity Shares
Of which	
(A) QIB Portion [(4) (5)]	At least [●] Equity Shares
Of which:	
Anchor Investor Portion	[●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Of which:	
Available for allocation only to Mutual Funds (5% of the QIB Portion (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
(B) Non-Institutional Portion[(5)]	Not more than [●] Equity Shares
(C) Retail Portion[(5)(6)]	Not more than [●] Equity Shares
Pre and Post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)	66,654,612 Equity Shares
Equity Shares outstanding after the Offer[(7)]	66,654,612 Equity Shares
Use of net proceeds by our Company	As the Offer comprises an Offer for Sale only, our Company will not receive any proceeds from the Offer. See "*Objects of the Offer*" on page 81

(1) The Offer has been authorized by a resolution of our Board dated June 14, 2018.

(2) By letters of consent each dated July 9, 2018, the Selling Shareholders have consented to the sale of their respective portion of Equity Shares offered by each of them in the Offer, whose details are set forth below.

S. No.	Name of Selling Shareholder	Equity Shares offered in the Offer
1.	Mr. J.C. Chaudhry	**14,427,015**
2.	Mr. Aakash Chaudhry	**1,366,773**
3.	Ms. Kamla Chaudhry	**1,865,646**
4.	Dr. Aashish Chaudhry	**389,530**
5.	Dr. Meinal Chaudhry	**225,518**
6.	Ms. Neetu Chaudhry	**225,518**

Each of the Selling Shareholders confirms that their respective Equity Shares being offered in the Offer have been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with the SEBI and are eligible for being offered for sale in the Offer, in terms of Regulation 26(6) of the SEBI ICDR Regulations.

(3) The unsubscribed portion if any, remaining in the Employee Reservation Portion shall be added back to the Net Offer to the public. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion, subject to the Net Offer constituting [●]% of the fully-diluted post-Offer equity share capital of the Company. Employee Discount of ₹ [●] to the Offer Price may be offered to Eligible Employees Bidding in the Employee Reservation Portion.

(4) Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the Equity Shares

allocated to Anchor Investors. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In case of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion will be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Any unsubscribed portion in the Mutual Fund portion will be added to the QIB Portion (excluding the Anchor Investor Portion) and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Offer Procedure" on page 340.

(5) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. For further details, see "Offer Procedure" on page 340.

(6) Subject to valid Bids being received at or above the Offer Price, our Company in consultation with the BRLMs may offer a Retail Discount of ₹ [●] to the Offer Price to Retail Individual Investors in accordance with the SEBI ICDR Regulations.

(7) The Equity Shares that may be issued to employees after the date of this Draft Red Herring Prospectus pursuant to exercise of any options granted under the Aakash ESOP Scheme have not been included.

Note: The Employee Discount and the Retail Discount, if any, will be determined by our Company in consultation with the BRLMs and will be advertised in [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi also being the regional language of New Delhi, where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and will also be made available to the Stock Exchanges for the purpose of uploading on their respective websites. Retail Individual Investors Bidding in the Retail Portion Bidding at a price within the Price Band can make payment at the Bid Amount (which will be net of any Retail Discount), at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion Bidding at a price within the Price Band can make payment at the Bid Amount (which will be net of any Employee Discount), at the time of making a Bid. Retail Individual Investors Bidding in the Retail Portion Bidding at the Cut-Off Price have to ensure payment at the Cap Price (net of any Retail Discount) at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion Bidding at the Cut-Off Price have to ensure payment at the Cap Price (net of any Employee Discount) at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion must ensure that the Bid Amount (which will be net of any Employee Discount) does not exceed ₹ 500,000. Retail Individual Investors Bidding in the Retail Portion must ensure that the Bid Amount (which will be net of any Retail Discount) does not exceed ₹ 200,000. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion must mention the Bid Amount while filling the "SCSB/Payment Details" block in the Bid cum Application Form.

Allocation to Bidders in all categories, except the Retail Portion and the Anchor Investor Portion, if any, will be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price. Allocation to Retail Individual Investors will be not less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, will be allocated on a proportionate basis. Allocation to Anchor Investors will be on a discretionary basis in accordance with the SEBI ICDR Regulations. For details, see "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" on pages 325, 337 and 340, respectively.

GENERAL INFORMATION

Our Company was incorporated in New Delhi, India on October 15, 2007 as "Aakash Educational Services Limited', a public limited company under the Companies Act, 1956 with the RoC and we received a certificate of commencement of business from the RoC on January 9, 2008. Our Company was converted into a private company and the name of our Company was changed to "Aakash Educational Services Private Limited" and a fresh certificate of incorporation dated June 21, 2014 was issued by the RoC. Subsequently, our Company was converted into a public limited company and consequently its name was changed to "Aakash Educational Services Limited" and a fresh certificate of incorporation dated July 5, 2018 was issued by the RoC. For further details in relation to changes in the name and the registered office of our Company, see "*History and Certain Corporate Matters*" on page 155.

Registered Office of our Company

The address of the Registered Office of our Company is set forth below:

Aakash Educational Services Limited
Plot No. 8, Aakash Tower
Pusa Road
New Delhi 110 005
India
Tel: +91 11 4762 3400
Fax: +91 11 4762 3472
E-mail: compliance@aesl.in
Website: www.aakash.ac.in
CIN: U80300DL2007PLC169398
Registration Number: 169398

Address of the RoC

Our Company is registered with the RoC, situated at the address set forth below:

Registrar of Companies, National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
India
Tel: +91 11 2623 5703/+91 11 2623 5708
Fax: +91 11 2623 5702

Board of Directors

As at the date of this Draft Red Herring Prospectus, the composition of our Board is set forth below:

S. No.	Name	Designation	DIN	Address
1.	Mr. J.C. Chaudhry	Chairman cum Managing Director	00106128	B-8, 1st Floor, Vasant Marg, Vasant Vihar, New Delhi 110 057, India
2.	Mr. Aakash Chaudhry	Chief Executive Officer & Whole-time Director	00106392	B-8, 3rd Floor, Vasant Marg, Vasant Vihar, New Delhi 110 057, India
3.	Ms. Kamla Chaudhry	Non-executive Director	00106490	B-8, 1st Floor, Vasant Marg, Vasant Vihar, New Delhi 110 057, India
4.	Dr. Pramath Raj Sinha	Independent Director	00279248	N-154, Panchsheel Park, New Delhi 110 017, India
5.	Mr. Rajesh Relan	Independent Director	00505611	421, The Magnolias, DLF Golf Links, DLF Phase-V, Gurugram 122 002, Haryana, India
6.	Mr. Abhishek Dalmia	Independent Director	00011958	Radha Vihar, 35-B, Prithviraj Road, New Delhi 110 011, India

For further details of our Directors, see "*Our Management*" on page 160.

Company Secretary and Compliance Officer

Mr. Veerendra Kumar Achanta
Plot No. 8, Aakash Tower
Pusa Road
New Delhi 110 005, India
Tel: +91 11 4762 3400
Fax: +91 11 4762 3472
E-mail: compliance@aesl.in

Investor Grievances

Investors can contact our Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of submission of the Bid cum Application Form and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted.

Further, the Bidders shall also enclose a copy of the Acknowledgment Slip or specify the application number duly received from the Designated Intermediaries in addition to the documents/information mentioned above.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar of the Offer.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. 27
"G" Block, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
Fax: +91 22 6713 2447
E-mail: aakash.ipo@kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact person: Mr. Ganesh Rane
SEBI Registration No.: INM000008704

Citigroup Global Markets India Private Limited
1202, 12th Floor
First International Financial Centre
G-Block, Bandra Kurla Complex
Bandra (East)
Mumbai 400 098
Maharashtra, India
Tel: +91 22 6175 9999
Fax: +91 22 6175 9961
E-mail: aakash.ipo@citi.com
Website:
http://www.online.citibank.co.in/rhtm/citigroupglobalsc
reen1.htm
Investor Grievance ID: investors.cgmib@citi.com
Contact person: Mr. Nishit Dedhia
SEBI Registration No.: INM000010718

CLSA India Private Limited
8/F, Dalamal House
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: +91 22 6650 5050
Fax: +91 22 2284 0271
E-mail: aakash.ipo@clsa.com
Website: www.india.clsa.com

Investor Grievance ID: investor.helpdesk@clsa.com
Contact person: Mr. Rahul Choudhary
SEBI Registration No.: INM000010619

Syndicate Members

[●]

Legal Advisers to our Company as to Indian Law

S&R Associates
64, Okhla Industrial Estate Phase III
New Delhi 110 020, India
Tel: +91 11 4069 8000
Fax: +91 11 4069 8001

Legal Advisers to the BRLMs as to Indian Law

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110 020, India
Tel: +91 11 4159 0700
Fax: +91 11 2692 4900

Legal Advisers to the Underwriters as to International Law

Clifford Chance
Clifford Chance Pte Ltd.
Marina Bay Financial Centre
25th Floor, Tower 3
12 Marina Boulevard
Singapore 018 982
Tel: +65 6410 2200
Fax: +65 6410 2288

Statutory Auditors of our Company

B S R & Co. LLP, Chartered Accountants
Building No. 10
8th Floor, Tower B
DLF Cybercity, Phase II
Gurugram 122 002
Haryana, India
Tel: +91 124 719 1000
Fax: +91 124 235 8613
E-mail: rajivgoyal@bsraffiliates.com
Firm Registration No.: 101248W /W-100022
Peer Review No.: 009060

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200

Fax: +91 22 4918 6195
E-mail: aakashedu.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance ID: aakashedu.ipo@linkintime.co.in
Contact person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Banker(s) to the Offer/Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank

[●]

Bankers to our Company

HDFC Bank Limited
FIG-OPS Department
Lodha, I Think Techno Campus O-3 Level
Next to Kanjurmarg, Railway Station
Kanjurmarg (East) Mumbai 400 042
Maharashtra, India
Tel: +91 22 3075 2927/28/2914
Fax: +91 22 2579 9801
E-mail: vincent.dsouza@hdfcbank.com, siddharth.jadhav@hdfcbank.com, prasanna.uchil@hdfcbank.com
Website: www.hdfcbank.com
Contact persons: Mr. Vincent Dsouza, Mr. Siddharth Jadhav, Mr. Prasanna Uchil

Kotak Mahindra Bank Limited
Ground Floor, Basement, Mezzanine, Plot No-28
Community Center
Naraina Industrial Area, Phase I
New Delhi 110 028, India
Tel: +91 98996 43494
Fax: N.A.
E-mail: ranjit.s@kotak.com
Website: www.kotak.com
Contact person: Mr. Ranjit Singh

ICICI Bank Limited
HL Square
Plot No. 6, Sector – 5 (MLU), Dwarka
New Delhi 110 075, India
Tel: +91 11 4681 7004
Fax: N.A.
E-mail: chirag.j@icicibank.com
Website: www.icicibank.com
Contact person: Mr. Chirag Jain

Yes Bank Limited
D-12, South Extension - II
New Delhi 110 049, India
Tel: +91 11 4602 9178
Fax: N.A.
E-mail: samrath.singh@yesbank.in
Website: www.yesbank.in
Contact person: Mr. Samrath Pal Singh

Axis Bank Limited
Shop No G03-06 & 1st Floor
Sector-5, (MLU) Plot No-14, Dwarka
New Delhi 110 075, India
Tel: +91 11 4561 0991
Fax: +91 11 4561 0991
E-mail: dwarka.branchhead@axisbank.com
Website: www.axisbank.com
Contact person: Mr. Sujit Kumar

Self Certified Syndicate Banks

The list of banks that have been notified by the SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognizedFpi=yes&intmId=34, as updated from time to time. For details of the branches of the SCSBs named by the respective SCSBs to receive ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com/Static/Markets/PublicIssues/brokercentres.aspx?expandable=3 and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

CDPs

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Credit Rating

As the Offer is of Equity Shares, the appointment of a credit rating agency is not required.

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Trustees

As the Offer is of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

As the Offer is only an offer for sale, our Company will not receive any proceeds from the Offer. Accordingly, our Company is not required to appoint a monitoring agency for the Offer.

Appraising Agency

As the Offer is an offer for sale of Equity Shares, the objects of the Offer have not been appraised.

Experts

Except as stated below, our Company has not obtained any expert opinions.

Our Company has received written consent from the Statutory Auditors, namely, B S R & Co. LLP, Chartered Accountants to include its name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) read with Section 26 of the Companies Act, 2013 in respect of the examination report of the Statutory Auditors on the Restated Financial Information dated July 9, 2018 and their report on the statement of possible special tax benefits dated July 13, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus with the SEBI.

Inter-se Allocation of Responsibilities between the BRLMs

The table below sets forth the *inter-se* allocation of responsibilities for various activities among the BRLMs.

S. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	Kotak, Citi, CLSA	Kotak
2.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing	Kotak, Citi, CLSA	Kotak
3.	Drafting and approval of all statutory advertisement	Kotak, Citi, CLSA	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	Kotak, Citi, CLSA	CLSA
5.	Appointment of intermediaries - Registrar to the Offer, advertising agency, printers and banker(s) to the Offer (including co-ordinating all agreements to be entered with such parties)	Kotak, Citi, CLSA	Citi
6.	Preparing a list of frequently asked questions for road-show presentations	Kotak, Citi, CLSA	CLSA
7.	Marketing and roadshow presentation for the road show team	Kotak, Citi, CLSA	Citi
8.	Non-Institutional and retail marketing of the Offer, which will cover, *inter alia*: • Finalizing media, marketing and public relations strategy • Finalizing centers for holding conferences for brokers, etc. • Follow-up on distribution of publicity and Offer material including form, the Prospectus and deciding on the quantum of the Offer material • Finalizing collection centers	Kotak, Citi, CLSA	Kotak
9.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy • Finalizing the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedule	Kotak, Citi, CLSA	CLSA
10.	International institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedule	Kotak, Citi, CLSA	Citi
11.	Co-ordination with Stock Exchanges for book building software, bidding terminals and mock trading	Kotak, Citi, CLSA	Citi
12.	Managing the book and finalization of pricing in consultation with the Company	Kotak, Citi, CLSA	CLSA
13.	Post-bidding activities, including management of escrow accounts, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Offer activities will involve essential follow-up steps, including finalization of trading, dealing of instruments and demat of delivery of shares with the various agencies connected with the work such as the Registrar to the Offer, the Bankers to the Offer, the bank handling refund business and the SCSBs. The BRLMs will be responsible for ensuring that these agencies fulfill their functions and discharge this responsibility through suitable agreements with the Company Payment of the applicable securities transaction tax ("**STT**") on sale of unlisted Equity Shares by the Selling Shareholders in the Offer to the government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004	Kotak, Citi, CLSA	Citi

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company, in consultation with the BRLMs, and will be advertised in [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi also being the regional language of New Delhi, where our Registered Office is located), each with wide circulation, and advertised at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price will be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Investors bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see "*Offer Structure*" and "*Offer Procedure*" on pages 337 and 340, respectively.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure – Part B – Basis of Allocation*" on page 373.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to conditions specified therein.

The Underwriters have indicated their intention to underwrite such number of Equity Shares as set forth below:

(This portion has been intentionally left blank and will be filled in before the Prospectus is filed with the RoC)

Name, Address, Telephone Number, Fax Number and E-mail Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]

The above-mentioned underwriting commitments are indicative and will be finalized after determination of the Offer Price and Basis of Allotment, subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of each of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board or IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters will be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchase of or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

Our Company's share capital, as at the date of this Draft Red Herring Prospectus, is set forth below:

(in ₹ , except share data)

		Face value	Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORIZED SHARE CAPITAL**			
	100,000,000 Equity Shares	5	500,000,000	
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**			
	66,654,612 Equity Shares	5	333,273,060	
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**			
	Offer for Sale of 18,500,000 Equity Shares(1)	5	92,500,000	[●]
	The Offer includes			
	Employee Reservation Portion of up to [●] Equity Shares(2)	5	[●]	[●]
	Net Offer to the public of [●] Equity Shares	5	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**			
	66,654,612 Equity Shares(3)	5	333,273,060	
E	**SECURITIES PREMIUM ACCOUNT**			
	Before the Offer		361,848,114	
	After the Offer		[●]	

**To be finalized upon determination of the Offer Price.*

(1) For details of authorizations received for the Offer, see "The Offer" on page 56.
(2) Eligible Employee Bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount (which will be net of any Employee Discount does not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (which will be net of any Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (which will be net of any Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be net of any Employee Discount).
(3) The Equity Shares that may be issued to employees after the date of this Draft Red Herring Prospectus pursuant to exercise of any options granted under the Aakash ESOP Scheme have not been included.

Changes to the Authorized Share Capital

Since the incorporation of our Company, the authorized share capital of our Company has been altered in the manner set forth below:

Date of Shareholders' resolution	Changes in authorized share capital
February 5, 2008	The initial authorized share capital of our Company of ₹ 2,000,000 comprising 200,000 equity shares of face value of ₹ 10 each was increased to ₹ 50,000,000 comprising 5,000,000 equity shares of face value of ₹ 10 each.
July 19, 2008	The authorized share capital of our Company of ₹ 50,000,000 comprising 5,000,000 equity shares of face value of ₹ 10 each was increased to ₹ 100,000,000 comprising 10,000,000 equity shares of face value of ₹ 10 each.
February 12, 2013	The authorized share capital of our Company of ₹ 100,000,000 comprising 10,000,000 equity shares of face value of ₹ 10 each was increased to ₹ 250,000,000 comprising 25,000,000 equity shares of face value of ₹ 10 each.
September 26, 2017	The authorized share capital of our Company of ₹ 250,000,000 comprising 25,000,000 equity shares of face value of ₹ 10 each was increased to ₹ 500,000,000 comprising 50,000,000 equity shares of face value of ₹ 10 each.
June 18, 2018	The authorized share capital of our Company of ₹ 500,000,000 comprising 50,000,000 equity shares of face value of ₹ 10 each was altered by way of sub-division to ₹ 500,000,000 divided into 100,000,000 Equity Shares of face value ₹ 5 each.

Notes to Capital Structure

1. **Share Capital History of our Company**

The history of the equity share capital of our Company is set forth below:

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Reason for/nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
October 15, 2007	50,000	10	10	Cash	Subscription to Memorandum of Association(1)	50,000	500,000
April 1, 2008	2,314,677	10	10	Other than cash	Consideration for acquisition by our Company of the business of running coaching centers from Mr. J.C. Chaudhry pursuant to Acquisition Agreement 1. For details, see "*History and Certain Corporate Matters"* on page 155 (2)	2,364,677	23,646,770
	629,598	10	10	Other than cash	Consideration for acquisition by our Company of the business of running franchisee coaching centers at Mumbai under the name and style of 'Aakash Institute/Aakash IIT-JEE-Mumbai Franchise' from Mr. Aakash Chaudhry (including discharging the liability of an unsecured loan of ₹ 4,500,000 outstanding from Mr. Aakash Chaudhry to Mr. J.C. Chaudhry) pursuant to Acquisition Agreement 2. For details, see "*History and Certain Corporate Matters"* on page 155(3)	2,994,275	29,942,750
May 30, 2008	900,000	10	10	Cash	Preferential allotment(4)	3,894,275	38,942,750
July 19, 2008	800,000	10	10	Cash	Preferential allotment(5)	4,694,275	46,942,750
September 30, 2008	1,000,000	10	10	Cash	Preferential allotment(6)	5,694,275	56,942,750
March 7, 2009	400,000	10	10	Cash	Preferential allotment(7)	6,094,275	60,942,750
May 28, 2012	3,047,138	10	10	Cash	Rights issue(8)	9,141,413	91,414,130
August 10, 2017	10,970	10	1,343	Cash	Allotment pursuant to exercise of options granted under the Aakash ESOP Scheme(9)	9,152,383	91,523,830
October 6, 2017	18,304,766	10	-	N.A.	Bonus issue(10)	27,457,149	274,571,490
March 29, 2018	315,606	10	1,275	Cash	Rights issue(11)	27,772,755	277,727,550
May 21, 2018	5,554,551	10	-	N.A.	Bonus issue(12)	33,327,306	333,273,060
Pursuant to the Shareholders' resolution dated June 18, 2018, each equity share of face value of ₹ 10 each of our Company was sub-divided into two equity shares of face value of ₹ 5 each and consequently, the issued equity share capital of our Company was reclassified from ₹ 333,273,060 divided into 33,327,306 equity shares of face value of ₹ 10 each to ₹ 333,273,060 divided into 66,654,612 Equity Shares of face value of ₹ 5 each							

(1) Allotment of 50,000 equity shares of face value of ₹ 10 each in the following manner: Mr. J.C. Chaudhry (49,400 equity shares of face value of ₹ 10 each); Ms. Kamla Chaudhry (100 equity shares of face value of ₹ 10 each); Mr. Aakash Chaudhry (100 equity shares of face value of ₹ 10 each); Dr. Aashish Chaudhry (100 equity shares of face value of ₹ 10 each); Dr. Meinal Chaudhry (100 equity shares

of face value of ₹ 10 each); Ms. Neetu Chaudhry (100 equity shares of face value of ₹ 10 each); and Dr. Prashaant Chaudhry (100 equity shares of face value of ₹ 10 each). Date of subscription to the Memorandum of Association was October 8, 2007.

(2) Allotment of 2,314,677 equity shares of face value of ₹ 10 each to Mr. J.C. Chaudhry.

(3) Allotment of 629,598 equity shares of face value of ₹ 10 each in the following manner: Mr. Aakash Chaudhry (179,598 equity shares of face value of ₹ 10 each); and Mr. J.C. Chaudhry (450,000 equity shares of face value of ₹ 10 each).

(4) Allotment of 900,000 equity shares of face value of ₹ 10 each to Mr. J.C. Chaudhry.

(5) Allotment of 800,000 equity shares of face value of ₹ 10 each to Mr. J.C. Chaudhry.

(6) Allotment of 1,000,000 equity shares of face value of ₹ 10 each to Mr. J.C. Chaudhry.

(7) Allotment of 400,000 equity shares of face value of ₹ 10 each to Mr. J.C. Chaudhry.

(8) Allotment of 3,047,138 equity shares of face value of ₹ 10 each in the ratio of one equity share of face value of ₹ 10 each for every two equity shares ₹ 10 each held as at the record date of May 5, 2012 by way of rights issue in the following manner: Mr. J.C. Chaudhry (2,327,039 equity shares of face value of ₹ 10 each); Ms. Kamla Chaudhry (350,050 equity shares of face value of ₹ 10 each); Mr. Aakash Chaudhry (189,849 equity shares of face value of ₹ 10 each); Dr. Aashish Chaudhry (100,050 equity shares of face value of ₹ 10 each); Dr. Meinal Chaudhry (40,050 equity shares of face value of ₹ 10 each); Ms. Neetu Chaudhry (40,050 equity shares of face value of ₹ 10 each); and Dr. Prashaant Chaudhry (50 equity shares of face value of ₹ 10 each).

(9) Allotment of 10,970 equity shares of face value of ₹ 10 each to Mr. Hemant Sultania pursuant to exercise of stock options granted under the Aakash ESOP Scheme. The equity shares of face value of ₹ 10 each were allotted at a premium of ₹ 1,333 per Equity Share aggregating to ₹ 14,732,710. For details on the Aakash ESOP Scheme see "- Notes to Capital Structure - Aakash ESOP Scheme" on page 75.

(10) Allotment of 18,304,766 equity shares of face value of ₹ 10 each in the ratio of two equity shares of face value ₹ 10 each for every one equity share held as at the record date of October 6, 2017 by way of bonus issue pursuant to the approval of our Shareholders granted at their EGM held on September 28, 2017 in the following manner: Mr. J.C. Chaudhry (16,482,232 equity shares of face value of ₹ 10 each); Ms. Kamla Chaudhry (700,300 equity shares of face value of ₹ 10 each); Mr. Aakash Chaudhry (739,094 equity shares of face value of ₹ 10 each); Dr. Aashish Chaudhry (200,300 equity shares of face value of ₹ 10 each); Dr. Meinal Chaudhry (80,300 equity shares of face value of ₹ 10 each); Ms. Neetu Chaudhry (80,300 equity shares of face value of ₹ 10 each); Mr. Jai Dayal Chaudhry (270 equity shares of face value of ₹ 10 each); Mr. Amit Kumar Sharma (10 equity shares of face value of ₹ 10 each); Mr. Mangal Singh Rawat (10 equity shares of face value of ₹ 10 each); Mr. Santhosh Thankappan (10 equity shares of face value of ₹ 10 each); and Mr. Hemant Sultania (21,940 equity shares of face value of ₹ 10 each). These equity shares were issued pursuant to capitalization of ₹ 183,047,660 standing to the credit of general reserves of our Company.

(11) Allotment of 315,606 equity shares of face value of ₹ 10 each in the ratio of one equity share of face value of ₹ 10 each for every 87 equity shares of face value of ₹ 10 each held as at the record date of March 1, 2018 by way of rights issue in the following manner: Mr. J.C. Chaudhry (284,177 equity shares of face value of ₹ 10 each); Ms. Kamla Chaudhry (12,075 equity shares of face value of ₹ 10 each); Mr. Aakash Chaudhry (12,743 equity shares of face value of ₹ 10 each); Dr. Aashish Chaudhry (3,454 equity shares of face value of ₹ 10 each); Dr. Meinal Chaudhry (1,385 equity shares of face value of ₹ 10 each); Ms. Neetu Chaudhry (1,385 equity shares of face value of ₹ 10 each); Mr. Jai Dayal Chaudhry (5 equity shares of face value of ₹ 10 each); Mr. Amit Kumar Sharma (1 Equity Share); Mr. Mangal Singh Rawat (1 Equity Share); Mr. Santhosh Thankappan (1 Equity Share); and Mr. Hemant Sultania (379 equity shares of face value of ₹ 10 each).

(12) Allotment of 55,54,551 equity shares of face value of ₹ 10 each in the ratio of one equity share of face value of ₹ 10 each for every five equity shares of face value of ₹ 10 each held as at the record date of May 10, 2018 by way of bonus issue in the following manner: Mr. J.C. Chaudhry (5,001,505 equity shares of face value of ₹ 10 each); Ms. Kamla Chaudhry (212,505 equity shares of face value of ₹ 10 each); Mr. Aakash Chaudhry (224,277 equity shares of face value of ₹ 10 each); Dr. Aashish Chaudhry (60,781 equity shares of face value of ₹ 10 each); Dr. Meinal Chaudhry (24,367 equity shares of face value of ₹ 10 each); Ms. Neetu Chaudhry (24,367 equity shares of face value of ₹ 10 each); Mr. Jai Dayal Chaudhry (82 equity shares of face value of ₹ 10 each); Mr. Amit Kumar Sharma (3 equity shares of face value of ₹ 10 each); Mr. Mangal Singh Rawat (3 equity shares of face value of ₹ 10 each); Mr. Santhosh Thankappan (3 equity shares of face value of ₹ 10 each); and Mr. Hemant Sultania (6,658 equity shares of face value of ₹ 10 each). These equity shares were issued pursuant to capitalization of ₹ 55,545,510 out of the securities premium account of our Company.

2. **Issue of Equity Shares for Consideration other than Cash**

Our Company has issued equity shares in the past for consideration other than cash, the details of which are set forth below:

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Reason for allotment	Allottees	Benefits accrued to our Company
April 1, 2008	2,314,677	10	10	Consideration for acquisition by our Company of the business of running coaching centers from Mr. J.C. Chaudhry pursuant to Acquisition Agreement 1. For details, see "*History and Certain Corporate Matters"* on page 155	1. Mr. J.C. Chaudhry	Acquisition of the business of running coaching centers from Mr. J.C. Chaudhry
	629,598	10	10	Consideration for acquisition by our Company of the business of running franchisee coaching centers at Mumbai under the name and style of 'Aakash Institute/Aakash IIT-JEE-Mumbai Franchise' from Mr.	1. Mr. Aakash Chaudhry 2. Mr. J.C. Chaudhry	Acquisition of the business of running franchisee coaching centers from Mr. Aakash Chaudhry

Date of allotment	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Reason for allotment	Allottees	Benefits accrued to our Company
				Aakash Chaudhry (including discharging the liability of an unsecured loan of ₹ 4,500,000 outstanding from Mr. Aakash Chaudhry to Mr. J.C. Chaudhry) pursuant to Acquisition Agreement 2. For details, see "*History and Certain Corporate Matters"* on page 155		

Our Company has also issued 18,304,766 equity shares of face value ₹ 10 pursuant to a bonus issue on October 6, 2017 and 5,554,551 equity shares of face value ₹ 10 pursuant to a bonus issue on May 21, 2018. For further details, see "– Notes to Capital Structure – Share Capital History of our Company" on page 67.

3. **Issue of Equity Shares out of Revaluation Reserves**

Our Company has not issued any Equity Shares out of its revaluation reserves since its incorporation.

4. **Details of Build-up, Contribution and Lock-in of Promoters' Shareholding**

As at the date of this Draft Red Herring Prospectus, our Promoters hold, in the aggregate, 62,709,382 Equity Shares, constituting 94.08% of the issued, subscribed and paid-up share capital of our Company.

(a) *Capital Build-up of our Promoters' Shareholding in our Company*

Date of allotment/ transfer	Number of equity shares	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of acquisition/ allotment/ transfer	Percentage of pre-Offer equity share capital (%)	Percentage of post-Offer equity share capital (%)
Mr. J.C. Chaudhry							
October 15, 2007	49,400	10	10	Cash	Allotment pursuant to subscription to Memorandum of Association	0.07	[●]
April 1, 2008	2,314,677	10	10	Other than cash	Consideration for acquisition by our Company of the business of running coaching centers from Mr. J.C. Chaudhry pursuant to Acquisition Agreement 1	3.47	[●]
April 1, 2008	450,000	10	10	Other than cash	Consideration for acquisition by our Company of the business of running franchisee coaching centers at Mumbai under the name and style of 'Aakash Institute/Aakash IIT-JEE-Mumbai Franchise' from Mr. Aakash Chaudhry (including discharging the liability of an unsecured loan of ₹ 4,500,000 outstanding from Mr. Aakash Chaudhry to Mr. J.C. Chaudhry) pursuant to Acquisition Agreement 2	0.68	[●]
May 30, 2008	900,000	10	10	Cash	Preferential allotment	1.35	[●]
July 19, 2008	800,000	10	10	Cash	Preferential allotment	1.20	[●]
September 30, 2008	1,000,000	10	10	Cash	Preferential allotment	1.50	[●]

Date of allotment/ transfer	Number of equity shares	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of acquisition/ allotment/ transfer	Percentage of pre-Offer equity share capital (%)	Percentage of post-Offer equity share capital (%)
March 7, 2009	400,000	10	10	Cash	Preferential allotment	0.60	[●]
May 28, 2012	2,327,039	10	10	Cash	Rights issue	3.49	[●]
October 6, 2017	16,482,232	10	-	N.A.	Bonus issue	24.73	[●]
March 29, 2018	284,177	10	1,275	Cash	Rights issue	0.43	[●]
May 21, 2018	5,001,505	10	-	N.A.	Bonus issue	7.50	[●]
Pursuant to the Shareholders' resolution dated June 18, 2018, each equity share of face value of ₹ 10 each of our Company was sub-divided into two equity shares of face value of ₹ 5 each and consequently, the 30,009,030 equity shares of face value of ₹ 10 each of our Company held by Mr. J.C. Chaudhry were sub-divided into 60,018,060 Equity Shares of face value of ₹ 5 each							
SUB TOTAL (A)	**60,018,060**					**90.04**	**[●]**
Mr. Aakash Chaudhry							
October 15, 2007	100	10	10	Cash	Allotment pursuant to subscription to Memorandum of Association	Negligible*	[●]
April 1, 2008	179,598	10	10	Other than cash	Consideration for acquisition by our Company of the business of running franchisee coaching centers at Mumbai under the name and style of 'Aakash Institute/Aakash IIT-JEE-Mumbai Franchise' from Mr. Aakash Chaudhry pursuant to Acquisition Agreement 2	0.27	[●]
May 28, 2012	189,849	10	10	Cash	Rights issue	0.28	[●]
October 6, 2017	739,094	10	-	N.A.	Bonus issue	1.11	[●]
March 29, 2018	12,743	10	1,275	Cash	Rights issue	0.02	[●]
May 21, 2018	224,277	10	-	N.A.	Bonus issue	0.34	[●]
Pursuant to the Shareholders' resolution dated June 18, 2018, each equity share of face value of ₹ 10 each of our Company was sub-divided into two equity shares of face value of ₹ 5 each and consequently, the 1,345,661 equity shares of face value of ₹ 10 each of our Company held by Mr. Aakash Chaudhry were sub-divided into 2,691,322 Equity Shares of face value of ₹ 5 each							
SUB TOTAL (B)	**2,691,322**					**4.04**	**[●]**
TOTAL (A) + (B)	**62,709,382**					**94.08**	**[●]**

* *Less than 0.01%*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition/allotment of such Equity Shares. None of the Equity Shares held by our Promoters are pledged.

(b) *Details of Promoters' Contribution Locked-in for Three Years*

Pursuant to Regulations 32 and 36(a) of the SEBI ICDR Regulations, an aggregate of at least 20% of the fully-diluted post-Offer Equity Share capital of our Company held by our Promoters will be considered as the minimum Promoters' contribution and will to be locked-in for a period of three years from the date of Allotment.

The Equity Shares that are being locked-in are not ineligible for computation of minimum Promoters' contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard, our Company confirms that:

(i) The Equity Shares offered towards minimum Promoters' contribution have not been acquired during the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) arising from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Promoters' contribution;

(ii) The Equity Shares offered towards minimum Promoters' contribution have not been acquired by our Promoters during the year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the Offer Price; and

(iii) The Equity Shares held by our Promoters and offered as part of minimum Promoters' contribution are not pledged with any creditor.

Our Company has not been formed by the conversion of a partnership firm into a company. All Equity Shares held by our Promoters and members of our Promoter Group (other than the Equity shares held by Mr. Jai Dayal Chaudhry, a member of our Promoter Group) are in dematerialized form as at the date of this Draft Red Herring Prospectus.

The details of the Equity Shares of our Promoters locked-in as minimum Promoters' contribution are given below and our Promoters have consented to include such Equity Shares held by them as minimum Promoter's contribution:

Number of equity shares locked-in	Date of acquisition of equity shares and when made fully paid-up	Nature of transaction	Face value (₹)	Acquisition price per equity share (₹)	Pre-Offer equity share capital (%)`	Percentage of post-Offer expanded equity share capital (%)	Date up to which the equity shares are subject to lock-in
				Mr. J.C. Chaudhry			
[●]	[●]	[●]	[●]	[●]	[●]	20.00	[●]
TOTAL							

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and has been contributed by the persons defined as promoters under the SEBI ICDR Regulations.

(c) *Details of Share Capital Locked-in for One Year*

In addition to the Equity Shares proposed to be locked-in as part of the minimum Promoters' contribution as stated above, as prescribed under Regulations 36(b) and 37 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment of Equity Shares in the Offer except the following: (i) any Equity Shares held by the employees of our Company (who continue to be the employees of our Company as at the date of Allotment) which may be allotted to them under the Aakash ESOP Scheme prior to the Offer; and (ii) the Equity Shares allotted as part of the Offer for Sale. Any unsubscribed portion in the Offer would also be locked-in in accordance with the SEBI ICDR Regulations.

(d) *Other Requirements in Respect of Lock-in*

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters and locked-in for one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that the pledge of Equity Shares is one of the terms of sanction of the loan.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 36 of the SEBI ICDR Regulations, may be transferred to and among our Promoters and any member of the Promoter Group, or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by Shareholders other than our Promoters, which are locked-in in accordance with Regulation 37 of the SEBI ICDR Regulations, may be transferred to any other person holding Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

(e) *Lock-in of Equity Shares Allotted to Anchor Investors*

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion will be locked-in for a period of 30 days from the date of Allotment.

5. **Shareholding Pattern of our Company**

The table below presents the shareholding of our Company as at the date of this Draft Red Herring Prospectus:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying depository receipts (VI)	Total number of Equity Shares held (VII) =(IV)+(V)+(VI)	Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) as a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked-in shares (XII)		Number of shares pledged or otherwise encumbered* (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No of voting rights			Total as a % of (A+B+C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total shares held (b)	
								Class, e.g. equity	Class, e.g. others	Total								
(A)	**Promoter and Promoter Group**	7	66,574,604	-	-	66,574,604	99.88	66,574,604	-	66,574,604	99.88	-	99.88	-		-		66,573,620*
(B)	**Public**	4	80,008	-	-	80,008	0.12	80,008	-	80,008	0.12	-	0.12	-		-		-
(C)	**Non Promoter-Non public**	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C1)	**Shares underlying DRs**	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
	Total	**11**	**66,654,612**	**-**	**-**	**66,654,612**	**100**	**66,654,612**	**-**	**66,654,612**	**100**	**-**	**100**	**-**		**-**		**66,573,620**

** As at the date of this Draft Red Herring Prospectus, 984 Equity Shares held by Mr. Jai Dayal Chaudhry, a member of our Promoter Group, are yet to be dematerialized and will be dematerialized two days prior to filing the draft of the Red Herring Prospectus with the SEBI.*

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI Listing Regulations one day prior to the listing of the Equity Shares. The shareholding pattern will be provided to the Stock Exchanges for uploading on the respective websites of the Stock Exchanges before the commencement of trading of the Equity Shares.

6. **Details of the shareholding of our Promoters and members of our Promoter Group**

None of our Promoters and members of our Promoter Group hold any Equity Shares as at the date of filing of this Draft Red Herring Prospectus other than as set forth below:

Name of the Shareholder	Number of pre-Offer Equity Shares	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
Promoters			
Mr. J.C. Chaudhry	60,018,060	90.04	[●]
Mr. Aakash Chaudhry	2,691,322	4.04	[●]
Total Holding of the Promoters (A)	**62,709,382**	**94.08**	**[●]**
Promoter Group			
Ms. Kamla Chaudhry	2,550,060	3.83	[●]
Dr. Aashish Chaudhry	729,370	1.09	[●]
Dr. Meinal Chaudhry	292,404	0.44	[●]
Ms. Neetu Chaudhry	292,404	0.44	[●]
Mr. Jai Dayal Chaudhry	984	Negligible*	[●]
Total Holding of Promoter Group (other than the Promoters) (B)	**3,865,222**	**5.8**	**[●]**
Total Holding of Promoters and Promoter Group (A+B)	**66,574,604**	**99.88**	**[●]**

* *Less than 0.01%*

7. **Details of the shareholding of our Directors and Key Management Personnel**

None of our Directors and Key Management Personnel hold any Equity Shares as at the date of filing of this Draft Red Herring Prospectus other than as set forth below:

Name	Number of pre-Offer Equity Shares`	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
Directors			
Mr. J.C. Chaudhry	60,018,060	90.04	[●]
Mr. Aakash Chaudhry	2,691,322	4.04	[●]
Ms. Kamla Chaudhry	2,550,060	3.83	[●]
Total Holding of Directors (A)	**65,259,442**	**97.91**	[●]
Key Management Personnel			
Mr. Hemant Sultania	79,894	0.12	[●]
Total Holding of Key Management Personnel (B)	**79,894**	**0.12**	[●]
Total Holding of Directors and Key Management Personnel (A+B)	**65,339,336**	**98.03**	[●]

For stock options held by Mr. Hemant Sultania, see "*– Notes to Capital Structure – Aakash ESOP Scheme*" on page 75.

8. **Equity Shares held by the ten largest shareholders**

(a) As at the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of Equity Share capital (%)
1.	Mr. J.C. Chaudhry	60,018,060	90.04
2.	Mr. Aakash Chaudhry	2,691,322	4.04
3.	Ms. Kamla Chaudhry	2,550,060	3.83
4.	Dr. Aashish Chaudhry	729,370	1.09
5.	Dr. Meinal Chaudhry	292,404	0.44
6.	Ms. Neetu Chaudhry	292,404	0.44
7.	Mr. Hemant Sultania	79,894	0.12
8.	Mr. Jai Dayal Chaudhry	984	Negligible*
9.	Mr. Amit Kumar Sharma	38	Negligible*
	Mr. Mangal Singh Rawat	38	Negligible*
	Mr. Santhosh Thankappan	38	Negligible*
TOTAL		**66,654,612**	**100**

* *Less than 0.01%*

(b) Ten days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of Equity Share capital (%)
1.	Mr. J.C. Chaudhry	60,018,060	90.04
2.	Mr. Aakash Chaudhry	2,691,322	4.04
3.	Ms. Kamla Chaudhry	2,550,060	3.83
4.	Dr. Aashish Chaudhry	729,370	1.09
5.	Dr. Meinal Chaudhry	292,404	0.44
6.	Ms. Neetu Chaudhry	292,404	0.44
7.	Mr. Hemant Sultania	79,894	0.12
8.	Mr. Jai Dayal Chaudhry	984	Negligible*
9.	Mr. Amit Kumar Sharma	38	Negligible*
	Mr. Mangal Singh Rawat	38	Negligible*
	Mr. Santhosh Thankappan	38	Negligible*
TOTAL		**66,654,612**	**100**

* *Less than 0.01%*

(c) Two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of equity shares of face value of ₹ 10 each	Percentage of equity share capital (%)
1.	Mr. J.C. Chaudhry	8,241,116	90.15
2.	Mr. Aakash Chaudhry	369,547	4.04
3.	Ms. Kamla Chaudhry	350,150	3.83
4.	Dr. Aashish Chaudhry	100,150	1.10
5.	Dr. Meinal Chaudhry	40,150	0.44
6.	Ms. Neetu Chaudhry	40,150	0.44
7.	Mr. Jai Dayal Chaudhry	135	Negligible*
8.	Mr. Amit Kumar Sharma	5	Negligible*
	Mr. Mangal Singh Rawat	5	Negligible*
	Mr. Santhosh Thankappan	5	Negligible*
TOTAL		**9,141,413**	**100**

* *Less than 0.01%*

9. **Aakash ESOP Scheme**

Our Board of Directors has approved the Aakash ESOP Scheme pursuant to its resolution dated August 4, 2015 and our Shareholders have approved the Aakash ESOP Scheme pursuant to a resolution dated August 5, 2015. Further, the Aakash ESOP Scheme was amended pursuant to a resolution of our Board of Directors dated April 11, 2018 and a resolution of our Shareholders dated May 10, 2018. The Aakash ESOP Scheme contemplates that the total number of Equity Shares to be issued pursuant to exercise of options under the Aakash ESOP Scheme shall not exceed 5% of the issued share capital of the Company. The Aakash ESOP Scheme is in compliance with the SEBI SBEB Regulations and the Companies Act, 2013.

Details of the Aakash ESOP Scheme are set forth below:

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>As on the date of this Draft Red Herring Prospectus, our Company has granted 1,718,862 options, the details of which grants are disclosed below.
<table>
<tr><th>Financial Year/Period</th><th>Total No. of Options Granted</th></tr>
<tr><td>April 1, 2018 – July 18, 2018</td><td>1,454,910[#]</td></tr>
<tr><td>2016</td><td>263,952[*]</td></tr>
<tr><td>Total</td><td>1,718,862</td></tr>
</table>
[#] Options granted on July 2, 2018.</td></tr>
<tr><td>Pricing formula/Exercise Price</td><td>As determined by our Board or the Nomination, Remuneration & Compensation Committee at the time of grant of the options, as applicable.

Exercise price of options (as on the date of grant of options) is discussed below:
<table>
<tr><th>Financial Year/Period</th><th>Exercise price of options in ₹ (as on the date of grant of options)</th></tr>
<tr><td>April 1, 2018 – July 18, 2018</td><td>540</td></tr>
<tr><td>2016</td><td>1,343[#*]</td></tr>
</table>
[#] In accordance with the terms of the Aakash ESOP Scheme as in existence at the time of this grant, the exercise price was determined by our Board and approved by our Shareholders.</td></tr>
<tr><td>Vesting period</td><td><u>For Options granted in FY 2016:</u>

For options granted to Mr. Hemant Sultania (being the only option grantee prior to July 2, 2018, in accordance with the appointment letter dated May 2, 2015 issued to Mr. Hemant Sultania, the vesting schedule is as follows:

(a) After completion of one year of service from the date of joining of the employee, 0.06% of our Company’s equity share capital will be vested with the employee. Thereafter, l/48th of 0.24% (i.e. 0.005%) of our Company’s equity share capital will be vested on monthly basis over a period of remaining four years, consequently making the total vesting with the employee to 0.3%, over a period of five years from the date of joining. The vesting formalities will be undertaken at the end of March every year until all options get vested. However, if his services come to an end prior to such period, the options will get vested on a pro-rata basis for the months served in our Company.
(b) 0.2% of our Company’s equity share capital as on date of joining of employee shall vest with the employee on filing of Red Herring Prospectus or on completion of five years, whichever is earlier.
(c) If there is any increase in share capital, our Company will increase the employee’s entitlement to 0.5% of the increased share capital.

<u>For Options granted in FY 2019:</u>

(a) The vesting of options granted under the Aakash ESOP Scheme would be subject to a minimum vesting period of one year and further subject to continuation of the option grantee in the employment of our Company from the date of vesting.
(b) Options granted will vest as per the following schedule:
At the end of 1st year from grant date: 25% of options granted.
At the end of 2nd year from grant date: 25% of options granted.
At the end of 3rd year from grant date: 25% of options granted.
At the end of 4th year from grant date: 25% of options granted.</td></tr>
<tr><td>Options vested</td><td>47,583 (including 10,970 options which have been exercised on August 10, 2017).
<table>
<tr><th>Financial Year/Period</th><th>Total No. of Options Vested</th></tr>
<tr><td>April 1, 2018 – July 18, 2018</td><td>25,519</td></tr>
<tr><td>2018</td><td>12,923</td></tr>
<tr><td>2017</td><td>9,141</td></tr>
<tr><td>Total</td><td>47,583</td></tr>
</table></td></tr>
<tr><td>Options exercised</td><td>10,970 options were exercised on August 10, 2017.</td></tr>
<tr><td>The total number of equity shares arising as a result of exercise of options</td><td>10,970 equity shares of face value of ₹ 10 at an issue price of ₹ 1,343 each were issued on August 10, 2017.</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options lapsed/forfeited/cancelled</td><td>Nil.</td></tr>
<tr><td>Variation of terms of options</td><td>None.</td></tr>
<tr><td>Money realized by exercise of options</td><td>₹ 14,732,710 (10,970 equity shares of face value of ₹ 10 at an issue price of ₹ 1,343 each).</td></tr>
<tr><td>Total number of options in force</td><td>1,707,892 (excluding 10,970 options which have been exercised on August 10, 2017).</td></tr>
<tr><td>Employee-wise detail of options granted to</td><td></td></tr>
<tr><td>i. Senior managerial personnel</td><td><table>
<tr><th>Name</th><th>No. of Options Granted</th></tr>
<tr><td>Mr. Hemant Sultania</td><td>263,952#</td></tr>
<tr><td>Mr. Sandeep Dham</td><td>55,600</td></tr>
<tr><td>Mr. Amit Pal Singh</td><td>55,600</td></tr>
</table>
Including 10,970 options which have been exercised on August 10, 2017.</td></tr>
<tr><td>ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>Nil.</td></tr>
<tr><td>iii. Identified employees who were granted options during any one year equal to/ exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td>Nil.</td></tr>
<tr><td>Fully-diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard</td><td>For Financial Year 2018: ₹ 24.21**
For Financial Year 2017: ₹ 9.62**
For Financial Year 2016: ₹ 11.50**</td></tr>
<tr><td>Lock-in</td><td>N.A.</td></tr>
<tr><td>Impact on profit and EPS of the last three years if the accounting policies prescribed in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed</td><td>No impact since our Company has not adopted intrinsic valuation.</td></tr>
<tr><td>Difference if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options</td><td>N.A. (Our Company has calculated the employee compensation cost using the fair value of stock options (based on Black Scholes valuation model)).</td></tr>
<tr><td>Impact on the profits of our Company and on the EPS arising due to the difference of the fair value of stock options over the intrinsic value of the stock options</td><td>N.A. (Our Company has calculated the employee compensation cost using the fair value of stock options (based on Black Scholes valuation model)).</td></tr>
<tr><td>Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td><table>
<tr><th>Financial Year/Period</th><th>Weighted average exercise price as on the date of grant</th><th>Weighted average fair value of options as on the date of grant</th></tr>
<tr><td>April 1, 2018 – July 18, 2018</td><td>540</td><td>53</td></tr>
<tr><td>2016</td><td>1,343</td><td>301</td></tr>
</table></td></tr>
<tr><td>Method and significant assumptions used to estimate the fair value of options granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends</td><td><table>
<tr><th>Financial Year/ Period</th><th>Weighted average share price#</th><th>Exercise Price</th><th>Expected volatility</th><th>Expected life of the options granted (in years)</th><th>Average risk-free interest rate</th></tr>
<tr><td>April 1, 2018 – July 18, 2018</td><td>541.60</td><td>540</td><td>53.72%-</td><td>3-6</td><td>8%</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>and the price of the underlying share in the market at the time of grant of the option</td><td><table>
<tr><td></td><td></td><td></td><td>46.91%</td><td></td><td></td></tr>
<tr><td>2018</td><td>-</td><td>-</td><td>53.28%</td><td>3</td><td>7.21%</td></tr>
<tr><td>2017</td><td colspan="5">N.A. since no options were granted during the year</td></tr>
<tr><td>2016</td><td>1,171.22</td><td>1,343</td><td>59.33%</td><td>1-5</td><td>7.9%</td></tr>
</table>
[#] This has been determined using the fair value of stock options (based on Black Scholes valuation model).

The expected dividend may depend upon the amount recommended by the Board for payment of dividend in accordance with the Dividend Distribution Policy.</td></tr>
<tr><td>Intention of the holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months after the listing of Equity Shares pursuant to the Offer</td><td>Employees may sell the Equity Shares received on exercise of options within three months of listing of the Equity Shares on the Stock Exchanges except to the extent of any Equity Shares locked-in post the Offer under applicable law.</td></tr>
<tr><td>Intention to sell Equity Shares arising out of the Aakash ESOP Scheme within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of Aakash ESOP Scheme amounting to more than 1% of the issued capital of our Company</td><td>Employees may sell the Equity Shares received on exercise of options within three months of listing of the Equity Shares on the Stock Exchanges except to the extent of any Equity Shares locked-in post the Offer under applicable law.</td></tr>
</table>

* *Our Company granted 45,707 options on August 5, 2015. Such options subsequently increased to 263,952 options on account of the following corporate actions:*
(a) On October 6, 2017, our Company issued equity shares of face value of ₹ 10 each by way of bonus issues, in the ratio of two equity shares of face value of ₹ 10 each for every one equity share of face value of ₹ 10 each and consequently in accordance with the terms of the Aakash ESOP Scheme (i) the number of granted but unvested options increased by 69,474 options and (ii) the weighted average exercise price accordingly decreased to ₹ 448 per option.
(b) On March 29, 2018, our Company issued equity shares of face value of ₹ 10 each by way of rights issue in the ratio of one equity share of face value of ₹ 10 each for every 87 equity shares of face value of ₹ 10 each and consequently in accordance with the terms of the Aakash ESOP Scheme (i) the number of granted but unvested options increased by 1,197 options and (ii) the weighted average exercise price remained the same at ₹ 448 per option.
(c) On May 21, 2018, our Company issued equity shares of face value of ₹ 10 each by way of bonus issue, in the ratio of one equity share of face value of ₹ 10 each for every five equity shares of face value of ₹ 10 each and consequently in accordance with the terms of the Aakash ESOP Scheme (i) the number of granted but unvested options increased by 21,082 options and (ii) the weighted average exercise price has been accordingly decreased to ₹ 373 per option.
(d) Pursuant to the Shareholders' resolution dated June 18, 2018, each equity share of face value of ₹ 10 each of our Company was sub-divided into two equity shares of face value of ₹ 5 each and consequently in accordance with the terms of the Aakash ESOP Scheme (i) the number of granted but unvested options increased by 126,491 options and (ii) the weighted average exercise price decreased to ₹ 187 per option.

** *The fully diluted EPS for Financial Years 2018, 2017 and 2016 has been recomputed pursuant to the changes in the Company's share capital as described above.*

The details of the Equity Shares issued under the Aakash ESOP Scheme aggregated on a quarterly basis are as follows:

S. No.	Quarter ended	Number of equity shares of face value of ₹ 10 issued	Price range (in ₹)
1.	September 30, 2017	10,970*	1,343

* *Pursuant to exercise of options granted under the Aakash ESOP Scheme, 10,970 equity shares of face value of ₹ 10 were issued on August 10, 2017.*

10. Our Company, our Directors, the Selling Shareholders and the BRLMs have not entered into any buy-back and/or standby arrangements or any safety net arrangement for purchase of Equity Shares to be allotted pursuant to the Offer.

11. Our Company has not issued any equity shares during the year immediately preceding the date of this Draft Red Herring Prospectus at a price, which may be lower than the Offer Price, other than as set forth below:

Date of allotment	Number of equity shares	Face value (₹)	Issue price (₹)	Nature of consideration	Nature of transaction	Allottees
August 10, 2017	10,970	10	1,343	Cash	Allotment pursuant to the exercise of stock options granted under the Aakash ESOP Scheme	1. Mr. Hemant Sultania
March 29, 2018	315,606	10	1,275	Cash	Rights issue	1. Mr. J.C. Chaudhry 2. Ms. Kamla Chaudhry 3. Mr. Aakash Chaudhry 4. Dr. Aashish Chaudhry 5. Dr. Meinal Chaudhry 6. Ms. Neetu Chaudhry 7. Mr. Jai Dayal Chaudhry 8. Mr. Amit Kumar Sharma 9. Mr. Mangal Singh Rawat 10. Mr. Santhosh Thankappan 11. Mr. Hemant Sultania

Our Company has also issued 18,304,766 equity shares of face value ₹ 10 pursuant to a bonus issue on October 6, 2017 and 5,554,551 equity shares of face value ₹ 10 pursuant to a bonus issue on May 21, 2018.

12. No financing arrangements have been entered into by the members of our Promoter Group, our Directors, or their relatives for the purchase by any other person of the securities of our Company other than in the normal course of business of the financing entity during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

13. As at the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to a scheme of amalgamation approved under the Companies Act.

14. Neither the BRLMs nor any associates (determined as per the definition of "associate company" under Section 2(6) of the Companies Act, 2013) of the BRLMs hold any Equity Shares in our Company as at the date of this Draft Red Herring Prospectus. The BRLMs and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

15. Our Company does not have any partly paid-up Equity Shares as at the date of this Draft Red Herring Prospectus. All Equity Shares Allotted in the Offer will be fully paid-up at the time of Allotment, failing which no Allotment will be made.

16. Except for issuance of Equity Shares pursuant to any exercise of options granted under the Aakash ESOP Scheme, there will not be any further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

17. As at the date of this Draft Red Herring Prospectus, other than 1,707,892 outstanding stock options convertible into 1,707,892 Equity Shares under the Aakash ESOP Scheme as set forth hereinabove, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into Equity Shares.

18. Only Eligible Employees would be eligible to apply in the Offer under the Employee Reservation Portion. The Employee Reservation Portion shall not exceed 5% of the post-Offer Equity Share capital of our Company. Bids by Eligible Employees can also be made in the Net Offer and such Bids shall not be treated as multiple Bids. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (which will be net of any Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee

Reservation Portion shall not exceed ₹ 200,000 (which will be net of any Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employee Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (which will be net of any Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be net of any Employee Discount).

19. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly, Equity Shares) on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placement; provided, however, that the above-mentioned restrictions do not apply to the issuance of any options and/or Equity Shares pursuant to exercise of options granted under the Aakash ESOP Scheme. However, during such period or at a later date, our Company may, subject to necessary approvals, issue Equity Shares, convertible securities or other equity linked securities in relation to any acquisition, merger, joint venture or strategic alliance or for regulatory compliance or for any scheme of arrangement.

20. The unsubscribed portion, if any, remaining in the Employee Reservation Portion will be added to the Net Offer to the public. Under-subscription, if any, in any category in the Net Offer (other than the QIB Portion), would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from any other category or combination thereof.

21. There will be only one denomination of the Equity Shares, unless otherwise permitted by applicable law.

22. Our Company will comply with such disclosure and accounting norms as may be specified by the SEBI from time to time.

23. A Bidder cannot make a Bid for more than the number of Equity Shares offered in the Offer and will be subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor. For details, see "*Offer Procedure*" on page 340.

24. As at the date of filing of this Draft Red Herring Prospectus, the total number of Shareholders is 11.

25. Our Promoters and members of our Promoter Group will not participate in the Offer, except to the extent of such Equity Shares as are offered by them in the Offer for Sale.

26. Our Company will ensure that transactions in Equity Shares by our Promoters and members of our Promoter Group during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Offer are reported to the Stock Exchanges within 24 hours of the transaction.

27. No person connected with the Offer, including, but not limited to, the BRLMs, the Members of the Syndicate, our Company, the Selling Shareholders, our Directors, our Promoters, members of our Promoter Group and Group Companies, will offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid except for fees or commission for services rendered in relation to the Offer.

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the sale of 18,500,000 Equity Shares by the Selling Shareholders. Our Company expects that listing of the Equity Shares will enhance our visibility and brand and provide liquidity to its existing Shareholders. Listing will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer. All proceeds from the Offer will go to the Selling Shareholders for the Equity Shares offered by them in the Offer.

Offer Related Expenses

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses consist of listing fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Offer, including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. Upon completion of the Offer, all expenses with respect to the Offer will be borne by the Selling Shareholders proportionate to the number of Equity Shares transferred by the respective Selling Shareholder in the Offer. To the extent required under applicable law, any payments by our Company in relation to the Offer shall be on behalf of the Selling Shareholders and such payments will be reimbursed by the Selling Shareholders to our Company. The break-down of the estimated Offer related expenses are as follows:

Activity	**Amount[(1)] (₹ in million)**	**As a % of Total Estimated Offer Related Expenses[(1)]**	**As a % of Offer size[(1)]**
Payment to the BRLMs	[●]	[●]	[●]
Brokerage and selling commission for members of the Syndicate, Registered Brokers, RTAs and CDPs, as applicable[(2) (3)]	[●]	[●]	[●]
Commission and processing fees for SCSBs[(4)(5)]	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Fees payable to Bankers to the Offer	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others: i. Listing fees; ii. SEBI, BSE and NSE processing fees; iii. Fees payable to legal counsels; and iv. Miscellaneous.	[●]	[●]	[●]
Total estimated Offer related expenses	[●]	[●]	[●]

(1) *Will be completed after finalization of the Offer Price.*

(2) *Selling commission on the portion for Retail Individual Investors, the portion for Non-Institutional Investors and for the portion for Employee Reservation Portion, which are procured by Syndicate Members (including their Sub-syndicate Members), would be as set forth below:*

Portion for Retail Individual Investors	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*
Portion for Non-Institutional Investors	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*
Portion for Employee Reservation Portion	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*

**Based on valid Bid cum Application Forms*

In addition to the selling commission referred above, any additional amount(s) to be paid by our Company will be as mutually agreed among the BRLMs, their respective Syndicate Members and our Company before the opening of the Offer.

Bidding Charges: ₹ [●] per valid application bid by the Syndicate.

(3) *Selling commission payable to the Registered Brokers, RTAs and CDPs on the portion for Retail Individual Investors, the portion for Non-Institutional Investors and for the portion for Employee Reservation Portion which are directly procured by the Registered Broker or RTAs or CDPs or submitted to SCSB for processing would be as set forth below:*

Portion for Retail Individual Investors	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*
Portion for Non-Institutional Investors	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*
Portion for Employee Reservation Portion	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*

** Based on valid Bid cum Application Forms*

(4) *Selling commission payable to the SCSBs on the portion for Retail Individual Investors, the portion for Non-Institutional Investors and for the portion for Employee Reservation Portion which are directly procured by them would be as set forth below:*

Portion for Retail Individual Investors	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*
Portion for Non-Institutional Investor	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*
Portion for Employee Reservation Portion	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*

*Based on valid Bid cum Application Forms

No additional processing/uploading charges will be payable by our Company to the SCSBs on the applications directly procured by them.

(5) *Processing fees payable to the SCSBs on the portion for Retail Individual Investors, the portion for Non-Institutional Investors and for the portion for Employee Reservation Portion which are procured by the members of the Syndicate /Sub-Syndicate /Registered Brokers /RTAs /CDPs and submitted to SCSBs for blocking would be as set forth below:*

Portion for Retail Individual Investors	*₹ [●] per valid Bid cum Application Forms* (plus applicable taxes)*
Portion for Non-Institutional Investors	*₹ [●] per valid Bid cum Application Forms* (plus applicable taxes)*
Portion for Employee Reservation Portion	*₹ [●] per valid Bid cum Application Form* (plus applicable taxes)*

*Based on valid Bid cum Application Forms

Total ASBA processing fees

A sum of ₹ [●] plus applicable taxes which will be the maximum ASBA processing fees payable by our Company.

Monitoring of Utilization of Funds

As the Offer is only an offer for sale, our Company will not receive any proceeds from the Offer. Accordingly, our Company is not required to appoint a monitoring agency for the Offer.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares determined through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the equity shares of our Company is ₹ 5 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the higher end of the Price Band. Investors should also refer to "*Our Business*", "*Risk Factors*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 129, 15, 189 and 276, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Competitive strengths

We believe we have the following competitive strengths:

- market leading position with strong brand recognition and presence across India;
- diversified course offerings and delivery channels;
- strong digital offerings leveraging on technology to expand our target audience and enhance quality of offerings;
- standardized content and coaching methods and qualified faculty deliver strong selection track record; and
- scalable and efficient business model for a growing industry Strong, experienced, diverse and professional management team.

For further details regarding the qualitative factors which form the basis for computing the Offer Price, see "*Our Business*" and "*Risk Factors*" on pages 129 and 15, respectively.

Quantitative Factors

Information presented in this section is derived from our Restated Financial Information. For further details, see *"Financial Statements"* on page 189.

Some of the quantitative factors which may form the basis for computing the Offer Price are set forth below. The ratios set forth below have been computed on the basis of the Restated Financial Information and after considering the impact of issuance of bonus shares and sub-division of the equity shares of ₹ 10 each into Equity Shares of ₹ 5 each of our Company subsequent to March 31, 2018.

1. **Basic and Diluted Earnings per Share ("EPS") (face value of each Equity Share is ₹ 5)**:

According to our Company's Restated Financial Information:

Fiscal Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2018	24.26	24.21	3
March 31, 2017	9.63	9.62	2
March 31, 2016	11.50	11.50	1
Weighted Average	**17.26**	**17.23**	

Notes:

1. *Basic Earnings per share (₹) = Net profit as restated, attributable to equity shareholders / Weighted average number of equity shares*
2. *Diluted Earnings per share (₹) = Net profit as restated, attributable to equity shareholders / Weighted average number of dilutive equity shares*
3. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year 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. This has been adjusted for all periods presented by giving effect to bonus issue and sub-division subsequent to March 31, 2018.*

2. **Price Earnings Ratio ("P/E") in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:**

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the higher end of the Price Band (number of times)
Based on basic EPS for the year ended March 31, 2018	[●]	[●]
Diluted EPS for the year ended March 31, 2018	[●]	[●]

3. **Return on Net Worth ("RoNW"):**

According to our Company's Restated Financial Information:

Fiscal Year ended	RoNW (%)	Weight
March 31, 2018	272.13	3
March 31, 2017	425.44	2
March 31, 2016	88.49	1
Weighted Average	**292.63**	

Notes:

1. *Return on Net Worth (%) = Net profit after tax, as restated / Net worth at the end of the year, as restated*

2. *Net Worth = Equity share capital + other equity (including securities premium, general reserve, employee stock option outstanding and retained earnings)*

4. **Net Asset Value per Equity Share (face value of each Equity Share is ₹ 5):**

According to our Company's Restated Financial Information:

Net asset value per equity share (₹)	
As at March 31, 2018	8.83
After the Offer	-

Notes:

1. *Net Assets Value per Equity Share (₹) = Net worth as restated at the end of the year/ Number of equity shares outstanding at the end of the year*

2. *Net Worth = Equity share capital + other equity (including securities premium, general reserve, employee stock option outstanding and retained earnings)*

3. *There will be no change in the Net Asset Value post-Offer, as the Offer is by way of Offer for Sale by the Selling Shareholders in the Offer*

5. **Comparison with industry peers:**

S. No.	Name of the company	Face value (₹)	For the year ended March 31, 2018					
			Total income (₹ Million)	Basic EPS (₹)	Diluted EPS (₹)	P/E (based on Diluted EPS)	RoNW (%)	NAV (₹)
			\					
1.	Aakash Educational Services Limited(2)(3)(4)	5	9,811.34	24.26	24.21	[●]	272.13%	8.83
	Peer Group							
2.	MT Educare Limited(1)	10	2,371.25	(32.71)	(32.71)	-	(64.34)	28.54
	Industry Composite							

Notes:

1. *Based on consolidated financial results for Fiscal 2018 and BSE website; Return on Net Worth calculated as Net profit after tax / Net worth at the end of the year; Net Asset Value calculated as Net Worth at the end of the year / Number of equity shares outstanding at the end of the year*

2. *Return on Net Worth (%) = Net profit after tax, as restated at the end of the year/ Net worth at the end of the year, as restated*

3. *Net Assets Value per Equity Share (₹) = Net Worth at the end of the year/ Number of equity shares outstanding at the end of the year*

4. *Net Worth = Equity share capital + other equity (including securities premium, general reserve, employee stock option outstanding and retained earnings)*

6. **The Offer Price will be [●] times of the face value of the Equity Shares.**

The Offer Price of ₹ [•] has been determined by our Company, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares determined through the Book Building Process and is justified based on the above qualitative and quantitative parameters.

For further details, see "*Risk Factors*" and "*Financial Statements*" on pages 15 and 189, respectively. The trading price of the Equity Shares of our Company could decline including due to the factors mentioned in "*Risk Factors*" on page 15 and you may lose all or part of your investment.

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors
Aakash Educational Services Limited
(formerly Aakash Educational Services Private Limited)
Aakash Tower, 8 Pusa Road,
New Delhi - 110005

Date: 13 July 2018

Dear Sirs,

Subject: Statement of possible special tax benefits ("the Statement") available to Aakash Educational Services Limited (formerly Aakash Educational Services Private Limited) ("the Company") and its shareholders prepared in accordance with the requirement in Schedule VIII – Clause (VII) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("the Regulations")

This report is issued in accordance with the Engagement Letter dated 18 April 2018.

We hereby report that the enclosed Annexure prepared by the Company, initialled by us and the Company for identification purpose, states the possible special tax benefits available to the Company and to its shareholders under the Income-tax Act, 1961 ("**the Act**") and Income tax Rules, 1962 including amendments made by Finance Act 2018 (together "**the Tax Laws**"), presently in force in India as on the signing date. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover the possible special tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure and its contents is the responsibility of the management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company comprising an offer for sale of equity shares by certain shareholders (the "**Proposed Offer**") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" ("**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.
We do not express any opinion or provide any assurance as to whether:

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

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

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

We hereby give consent to include this Statement in the draft red herring prospectus, red herring prospectus, the prospectus and in any other material used in connection with the Proposed Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **B S R & Co. LLP**
Chartered Accountants
ICAI firm registration number: 101248W /W-100022

Rajiv Goyal
Partner
Membership No.: 094549

Place: Gurugram
Date: 13 July 2018

ANNEXURE

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company and its shareholders under the direct tax laws in force in India (*i.e.* applicable for the Financial Year 2018-19 relevant to the assessment year 2019-20). These possible special tax 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 possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE INCOME TAX ACT, 1961 ("THE ACT")

A. Special tax benefits available to the Company

There are no special tax benefits available to the Company under the Act.

B. ***Special tax benefits available to Shareholders***

There are no special tax benefits available to the Shareholders under the Act.

NOTES:

1. The above is as per the current tax law as amended by the Finance Act, 2018.

2. This Statement does not discuss any tax consequences in any country outside India of an investment in the shares. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion describes certain U.S. federal income tax consequences of the investment in shares, and is based upon the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), the U.S. Treasury regulations promulgated thereunder, judicial decisions, revenue rulings and revenue procedures of the Internal Revenue Service ("**IRS**"), and other administrative pronouncements of the IRS, all available as of the date hereof. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below. No ruling will be sought from the IRS with respect to any statement in this discussion and there can be no assurance that the IRS will not challenge such statements, or, if challenged, that a court will uphold such statement. This discussion is applicable to U.S. Holders (as defined below) that hold the Equity Shares as capital assets for U.S. federal income tax purposes (generally property held for investment). This discussion does not address any U.S. federal estate or gift tax consequences, the alternative minimum tax, the Medicare tax on net investment income or any state, local, or non-U.S. tax consequences.

For purposes of this discussion a "U.S. Holder" is a beneficial owner of an ordinary share that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust.

This discussion does not address all U.S. federal income tax consequences applicable to any particular investor, and does not address all of the tax consequences applicable to persons subject to special treatment under the U.S. federal income tax laws, including a person who is:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organization;
- a person holding the Equity Shares as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting;
- a person liable for alternative minimum tax;
- a U.S. expatriate or former U.S. citizen or long-term resident;
- an investor that holds shares through a financial account at a foreign financial institution that does not meet the requirements to be exempt from withholding with respect to certain payments under Section 1471 of the Code;
- persons who acquired shares pursuant to the exercise of any employee share option or otherwise as compensation;

- partnerships or other pass-through entities, or persons holding shares through such partnerships or other pass-through entities;
- a person who actually or constructively owns 10% or more of the total combined value of all classes of our stock by vote or value; or
- a person whose functional currency is not the U.S. dollar.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds shares, the tax treatment of a partner will depend upon the status of the partner and the activities of the partnership. Partnerships considering an investment in the Equity Shares should consult their own tax advisors as to the particular U.S. federal income tax consequences of acquiring, holding and disposing of the Equity Shares.

Investors are urged to consult their tax advisors about the application of the U.S. federal tax rules to their particular circumstances as well as the state, local, non-U.S. and other tax consequences to them of the purchase, ownership, and disposition of the Equity Shares.

We expect, and this summary assumes, that we will not be a passive foreign investment company for U.S. federal income tax purposes. See the discussion under "*Passive Foreign Investment Company*."

Distributions on Equity Shares

Distributions, including any Indian taxes withheld respect to such distributions will be includible in a U.S. Holder's income as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent that the amount of any distribution exceeds our current and accumulated earnings and profits for a taxable year, as determined under U.S. federal income tax principles, the distribution will first be treated as a tax free return of capital, and the balance in excess of a U.S. Holder's adjusted tax basis in the Equity Shares will be taxed as capital gain recognized on a sale or exchange. However, we do not expect to calculate our earnings and profits in accordance with U.S. federal income tax principles, and, accordingly, U.S. Holders should expect that a distribution will generally be treated as a dividend. Such dividends will not be eligible for the dividends received deduction allowed to U.S. corporations for certain dividends.

With respect to certain non-corporate U.S. Holders, including individual U.S. Holders, dividends may be taxed at the lower capital gain rates applicable to "qualified dividend income", provided (1) we are eligible for the benefits of the income tax treaty between the United States and India (the "**Treaty**"), (2) we are neither a PFIC nor treated as such with respect to a U.S. Holder (as discussed below) for either the taxable year in which the dividend was paid or the preceding taxable year, (3) certain holding period requirements are met and (4) U.S Holders are not under an obligation to make related payments with respect to positions in substantially similar or related property. We expect to be eligible for Treaty benefits as long as there is substantial and regular trading of the Equity Shares on the BSE and NSE. U.S. Holders should consult their tax advisors regarding the availability of the lower capital gain rates applicable to qualified dividend income for dividends paid with respect to the Equity Shares.

U.S. Holders should consult their own tax advisors regarding how to account for distributions that are paid in a currency other than the U.S. dollar.

Sale or Other Taxable Disposition of Equity Shares

A U.S. Holder will recognize U.S. source capital gain or loss upon the sale or other taxable disposition of Equity Shares in an amount equal to the difference between the U.S. dollar value of the amount realized upon the disposition and the U.S. Holder's adjusted tax basis in such shares. Any capital gain or loss will be long-term if the Equity Shares have been held for more than one year at the time of the sale or other taxable disposition. Certain non-corporate U.S. Holders, including individuals, are eligible for reduced rates of taxation on long-term capital gains. The deductibility of capital losses is subject to limitations.

U.S. Holders should consult their own tax advisors regarding how to account for sale or other disposition proceeds that are paid in a currency other than the U.S. dollar.

Treatment of Non-U.S. Taxes

U.S. tax rules relating to foreign tax credits and deductions for non-U.S. taxes paid are complex. U.S. Holders should consult their own advisors about the applicability of these rules to their particular circumstances.

Passive Foreign Investment Company

In general, a non-U.S. corporation will be a PFIC for any taxable year in which either (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the stock of another corporation is treated as if it held its proportionate share of the assets of such other corporation and received directly its proportionate share of the income of such other corporation. For this purpose, passive income generally includes, among other items, dividends, interest, gains from certain commodities transactions, certain rents and royalties and gains from the disposition of passive assets.

Based on the nature of our business and the composition of our income and assets, we do not expect to be classified as a PFIC for the preceding taxable year, for the current taxable year or in the foreseeable future. However, PFIC status depends on facts that generally are not determinable until after the close of the taxable year. In addition, because our status depends upon the composition of our income and assets and the market value of our assets from time to time, there can be no assurance that we will not be classified as a PFIC for any particular taxable year.

If we were classified as a PFIC at any time during a U.S. Holder's holding period, such U.S. Holder could be subject to materially adverse tax consequences including being subject to greater amounts of tax on gains and certain distributions on our Equity Shares as well as additional tax reporting obligations. U.S. Holders should consult their tax advisors about the consequences if we are classified as a PFIC.

Information Reporting and Backup Withholding

A U.S. Holder may be subject to information reporting on amounts received by such U.S. Holder from a distribution on, or disposition of shares, unless such U.S. Holder establishes that it is exempt from these rules. If a U.S. Holder does not establish that it is exempt from these rules, it may be subject to backup withholding on the amounts received unless it provides a taxpayer identification number and otherwise complies with the requirements of the backup withholding rules. Backup withholding is not an additional tax and the amount of any backup withholding from a payment that is received will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

In addition, U.S. Holders should consult their tax advisors about any reporting obligations that may apply as a result of the acquisition, holding or disposition of the Equity Shares. Failure to comply with applicable reporting obligations could result in the imposition of substantial penalties.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

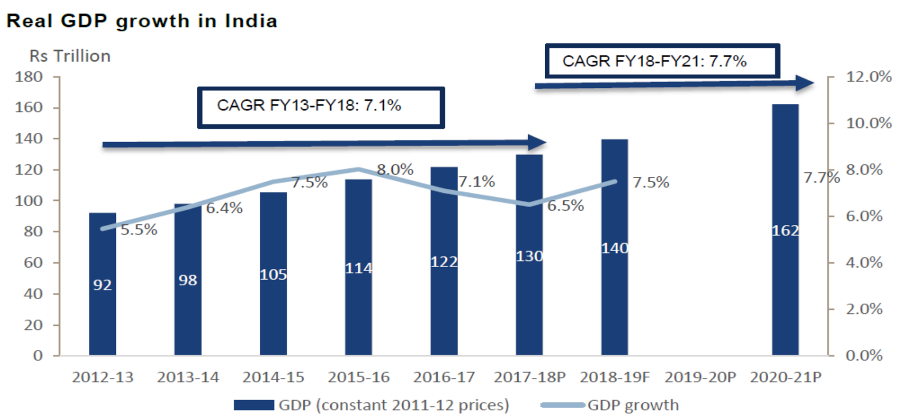
*We have commissioned CRISIL Research to undertake a research report titled "Assessment of Coaching Industry in India" dated July 12, 2018 (the "**CRISIL Report**") for reference in this Draft Red Herring Prospectus. The Report uses certain methodologies for market sizing and forecasting. Neither we, any of the Book Running Lead Managers, nor any other person connected with the Offer, have independently verified such data and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data and are not responsible for any errors or omissions or for the results obtained from the use of the data or their report. Accordingly, investors should not place undue reliance on, or base their investment decision solely on, this information.*

Industry and market data used in this section have been extracted from the CRISIL Report. For further details and risks in relation to the Report, see "Risk Factors – 29. This Draft Red Herring Prospectus contains information from industry sources including a report commissioned from CRISIL Research. Prospective investors are advised not to place undue reliance on such information." on page 33.

OVERVIEW OF THE MACROECONOMIC SCENARIO IN INDIA

GDP to grow at a faster pace over the next three years

Consumption and investment constitute the growth engine of any economy. In recent years, India's growth has been firing on the consumption cylinder, while the power of investment has been declining. Gross domestic product (GDP) at constant FY 2012 prices expanded at 7.1% compound annual growth rate (CAGR) between FYs 2013 and 2018. Improving industrial activity, lower crude oil prices and supportive policies post 2014 were, however, reduced in FY 2017, owing to demonetization, dwindling private investment, and slowing global growth.



Note: P-Projected, Nominal value also accounts for the impact of inflation; on the other hand, real value is adjusted for inflation

Source: CSO (Central Statistical Organisation), CRISIL Research, IMF

The Goods and Services Tax (GST) rollout in early FY 2018 left its imprint on GDP figures, especially in the first half. CRISIL Research expects real GDP growth to rebound to 7.5% in FY 2019 from 6.6% in FY 2018 as the transitory disruption caused by GST implementation wanes in early FY 2018 and a low base helps. Growth will continue to be consumption-driven, with interest rates expected to remain soft, inflation under control, and implementation of the Seventh Pay Commission hikes at the state level. In the medium term, we expect the pace of economic growth to pick up, as structural reforms such as GST and the Insolvency and Bankruptcy Code, 2016 begin to take effect. Assuming that monetary and fiscal policies remain prudent, these reforms would lead to efficiency gains and improve the prospects for sustainable high growth in the years to come. The improving macroeconomic environment (softer interest rate and stable inflation), urbanization, rising middle class, and business-friendly government reforms will drive growth in the long term. According to the International Monetary Fund (IMF), the Indian economy is projected to grow at a 7.7% CAGR (in real terms) over the next three years. Growth will be higher than many emerging as well as developed economies, such as Brazil, Russia and China.

Among India's GDP components, private consumption is the biggest contributor at ~58%. Nominal per capita GDP is used as a proxy to measure private consumption. Nominal per capita GDP growth slowed to 8.6% in FY 2016. However, it picked up in FY 2017, rising 9.6% year-on-year.

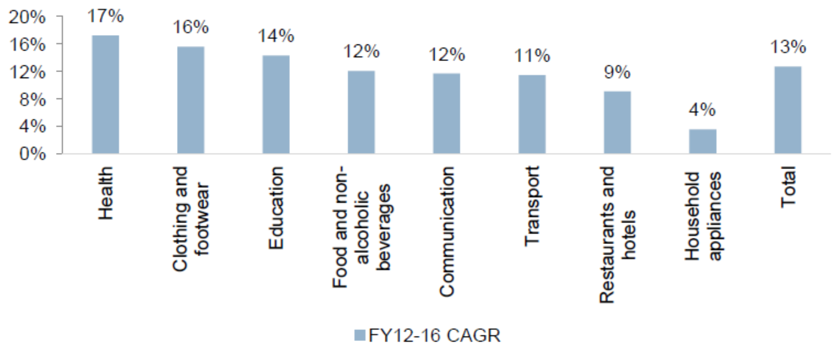
-
- **Rise in income levels to support investment in education**

Faster growth in GDP and per capita GDP over the next three years will likely translate into rising income, which, in turn, is favorable for growth in the education sector. The robust growth in household income will provide an impetus to investment in education.

Higher spending on education

Private Final Consumption Expenditure (PFCE) incurred on education has witnessed faster growth than the overall PFCE. The government's emphasis on improving access to education, an increasing awareness of a good quality of education leading to a shift in preference towards the private education segment, as well as increasing expenditure in non-formal education segments in order to succeed amongst strong competition, have all contributed to the faster growth.

Growth in private final consumption expenditure



Note: PFCE refers to the total expenditure incurred on final consumption of goods and services by the resident households
Source: Ministry of Statistics and Programme Implementation, Government of India

AN OVERVIEW OF THE EDUCATION INDUSTRY

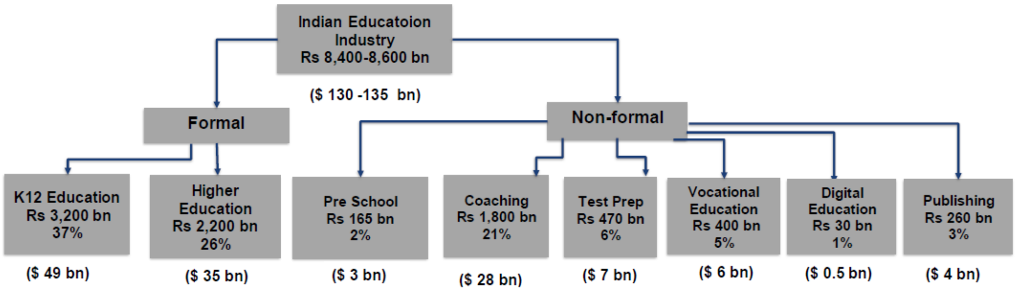
The education sector is a good indicator of a country's economic growth as well as its social transformation. Expenditure on education is seen more as an investment for the future. India's expenditure on education as a percentage of GDP has been in the range of around 3.5-4.5% between 2000 and 2014, which is on par with the world average.

In India, the education industry can broadly be classified into two categories: formal and non-formal. The formal category comprises the K-12 segment (kindergarten to grade 12 (K-12) school education), and higher education (including graduation and post-graduation courses, such as traditional courses – like arts, science and commerce - and professional courses such as engineering and management). The K-12 segment is the largest segment within the education industry in India. The non-formal category largely comprises segments such as pre-school, vocational training, publishing, digital education, test preparation and coaching classes. The coaching and test-preparatory segment caters to the needs of private coaching for curriculum-based K-12, undergraduate and graduate courses (cumulatively referred to as "curriculum-based coaching") as well as for competitive exams (referred to as "test-preparation coaching"). Curriculum-based coaching augments basic education, test-preparation coaching enables students to perform better in various entrance exams and placement processes. This segment is non-formal but forms an integral part of India's education sector. Also, the level of regulations in the non-formal segment are relatively low as compared to highly regulated formal segment.

The digital education industry comprises companies providing multimedia content and digital hardware, to aid teaching in schools (both private and government), colleges and training centers, and for personal usage as well as corporates.

India's education industry was estimated at ₹ 8,400-8,600 billion (USD 130-135 billion) in FY 2018. The formal K-12 and higher education segments have a lion's share of the market, while the coaching and test preparatory segments together account for 27% of the market.

Formal segment has cornered a significant share (FY18 estimates)



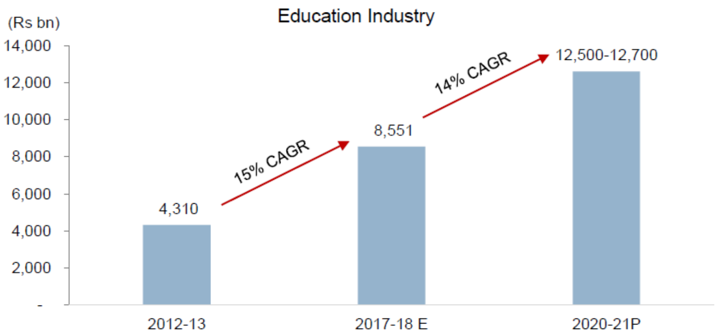
Note: Numbers for market size are rounded-off

Source: CRISIL Research

Education industry revenue projected to grow at 14% CAGR over next three years

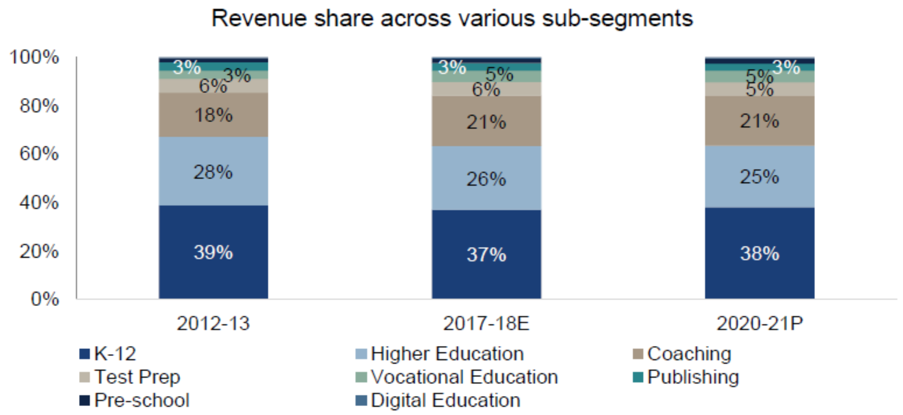
India's education industry was estimated at ₹ 8,400-8,600 billion in FY 2018. The industry grew at a 15% CAGR (compound annual growth rate) between FYs 2013 and 2018, driven by a healthy growth of 17% CAGR in the non-formal segment. The formal segment, which accounts for approximately two-thirds of the sector, grew at a CAGR of 13% between FYs 2013 and 2018. CRISIL Research expects the industry to grow at a healthy CAGR of 14% over the next three years; the shares of different segments in the education industry are likely to remain more or less stable.

Education sector to continue to grow at a healthy pace



Source: CRISIL Research

Share in revenue across various segments in education to remain relatively similar



Source: CRISIL Research

Non-formal segment to drive growth in the future

Segments	FY13-18	FY18-21
Formal	**13%**	**14%**
K-12	14%	15%
Higher Education	13%	12%
Non-Formal	**17%**	**14%**
Coaching	18%	13%
Test Prep	14%	13%
Pre-school	19%	18%
Vocational Education	22%	15%
Publishing	12%	12%
Digital Education	16%	24%
Overall industry	**15%**	**14%**

Note: Numbers refer to estimated and projected CAGR during FY 2013-2018 and FY 2018-2021, respectively

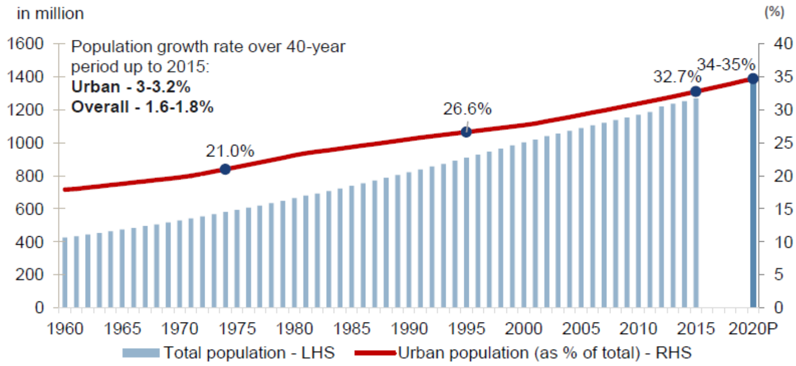
Source: CRISIL Research

Key growth drivers in the overall education sector

Rise in urbanization

India's average annual urban population growth rate has been almost double that of the overall population growth rate. Urban areas offer more job opportunities and higher pay. Also, since urban areas provide better access to quality education, people tend to spend more on education.

Rapid urbanisation in India

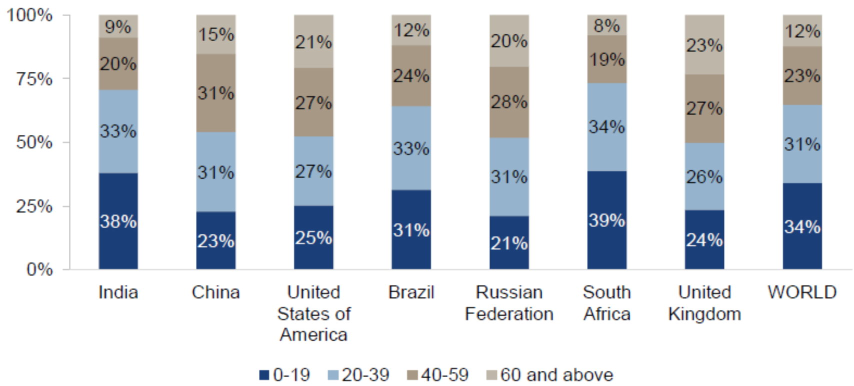


Source: Reserve Bank of India Statistics, World Bank Data Indicators

Demographic dividend to create opportunity

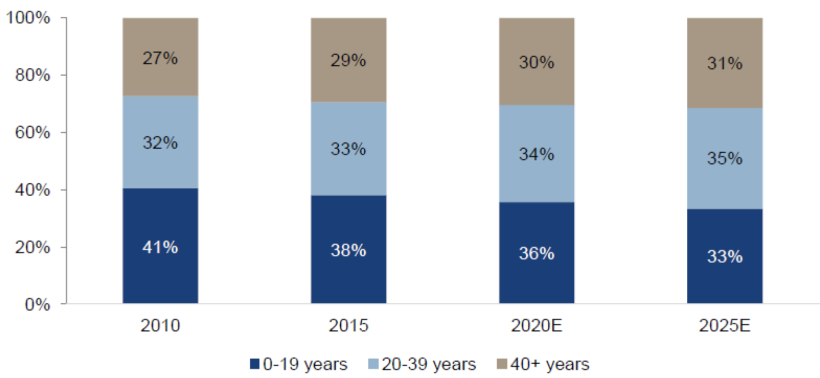
Currently, India is one of the nations with the highest young population, with a median age of 28 years. The age group of 0-40 years is estimated to continue to account for ~70% of the total Indian population by 2025. CRISIL Research expects that the existence of a large share of this age group, coupled with rapid urbanisation and rising affluence, will give rise to a mammoth demand for education in India at all stages.

Estimated share of population in different age brackets across nations (2015)



Source: United Nations - Population Division

India's demographic dividend



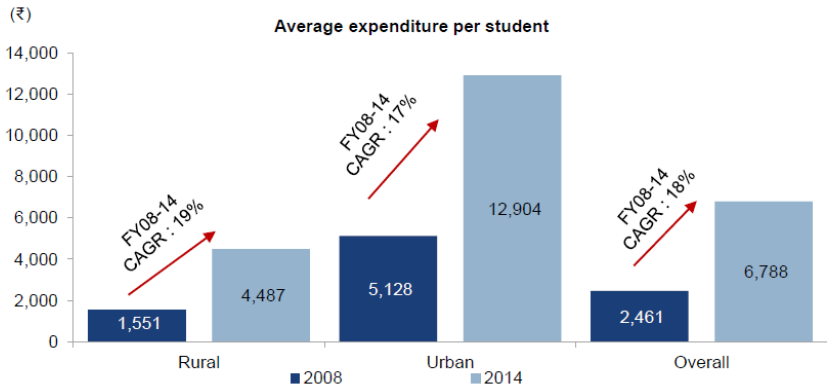
Note: Percentages above refer to the share of different age groups in India's population

Source: United Nations Department of Economic and Social Affairs, CRISIL Research

Rising household spend on education

Rising disposable income increases spending by households in all categories, but education has particularly benefited from such a rise. Households earmark a large portion of their monthly income for securing quality education for their children. According to National Sample Survey Office (NSSO) reports, the average education expenditure per student has grown at a CAGR of 18% during 2008 and 2014 at a relatively faster pace than the growth in incomes.

Rising average education expenditure per student

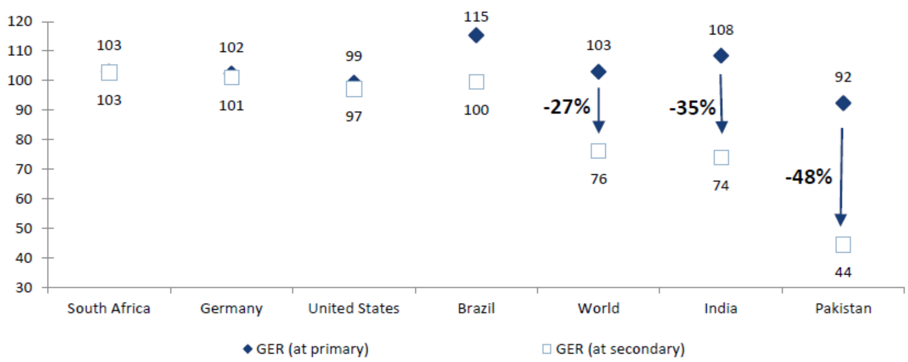


Source: NSSO

Low penetration in education gives room for growth and expansion

Despite significant investments and increasing enrolment ratios, India is among the less penetrated regions in the world in terms of education. India's secondary level gross enrolment ratio (GER) of 74% (for 2015) is lower than the world average of 76%, leaving more room for expansion for existing players as well as new entrants. India needs to add over 3.5 million students to its existing secondary enrolments to attain the world average GER over a 4-5 year period. At the higher education and coaching industry level also, the industry remains attractive, with low penetration levels of sub-30%. These factors have driven growth in formal as well as non-formal segments.

GER in 2015 comparison across countries



*GER: (Enrolment irrespective of age group for a given level of education) / (the eligible official school-age population corresponding to the same level of education in a given school year)*100*

In the case of UNESCO data, primary refers to grades I-V, secondary refers to grades VI-XII

Source: UNESCO Institute for Statistics, District Information System for Education, Ministry of Human Resource Development (MHRD)

Key growth drivers in the non-formal space

- ***Increasing competition for entrance exams and higher cut-off marks***

In India, a student's performance is measured on the basis of test results, with the focus on marks/grades. Also, high cut-off marks due to increasing competition (high student interest in a select few reputed institutes) have made competitive exams hard to clear. In the past few years, competition in Indian exams has become so intense (less than 10% of students appearing clear the entrance tests across most exams) that many students start enrolling for exam preparation courses two to three years in advance. Several coaching classes also offer courses bundling together both curriculum and test preparatory courses, thereby ensuring student enrolment for at least two years.

Increasingly difficult to clear entrance exams

	Entrance Applications (In 000s)			Intake (In 000s)			Intake as a % of applications		
Exams (Stream/College)	FY16	FY17	FY18	FY16	FY17	FY18	FY16	FY17	FY18
JEE main (IIT)	1,304	1,207	1,150	10	10.6	11	0.8%	0.9%	1.0%
CAT (IIM)	215	232	231	3	4	4	1.5%	1.7%	1.7%
AIPMT/NEET (Medical)	633	750	1,150	12-12.5	21.5-22	76.5-77	2.0%	2.9%	6.7%
UPSC (IAS)	950	1,136	1,000	1	1	1	0.1%	0.1%	0.1%
Common Proficiency Test (CA)	228	177	150	67	74	59	29.3%	41.8%	39.3%
CA (Final)	42	77	65	2	9	15	5.7%	11.7%	23.1%

Note: Intake corresponding to NEET/All India Pre Medical Test (AIPMT) includes seats for MBBS and BDS

In the case of medical, entrance applicants in FY16 refer to AIPMT, while those for NEET are from FY17 onwards

Intake corresponding to AIPMT in FY16 is for 15% of seats in colleges across India offering M.B.B.S. and B.D.S. courses

Intake corresponding to NEET in FY17 and FY18 is for colleges across India offering M.B.B.S. and B.D.S. courses and using NEET for admission process. Apart from 15% seats, intake for NEET FY17 was higher as some states like Haryana, Himachal Pradesh and Madhya Pradesh removed state CETs and accepted NEET for the other 85% as well

Intake corresponding to IITJEE includes seats for IITs, NITs, IIITs and GFTIs

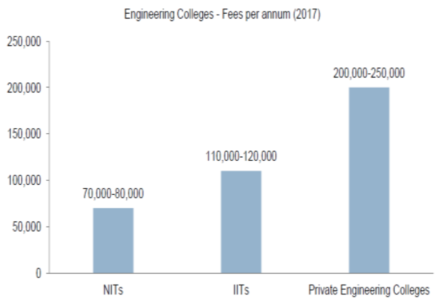
Source: CRISIL Research

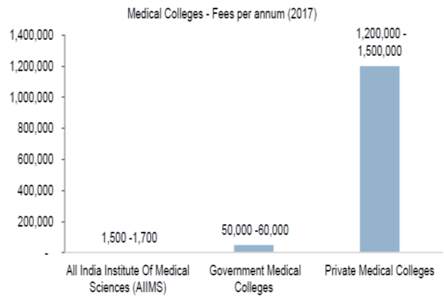
- ***Shortage of high-quality formal education institutes***

There is a shortage of quality education institutions in India and this has resulted in growing competition for limited seats in good institutions. There is a dire need for the creation of good-quality institutions to address the gap in well-trained faculty members, poor infrastructure and outdated and irrelevant curricula, high student-teacher ratios, lack of institutional and industry linkages. Consequently, people are willing to spend money on coaching classes to ensure entry into the few reputable institutes.

In the medical stream, less than 10% of applicants secure admissions in premier colleges. Among these, premier government colleges account for 33-37% of the seats available, and they are typically characterised by lower fees. This has increased demand for admissions in government colleges, where an entrance exam is the only means of entry. This translates into a higher willingness to spend money on coaching to secure admission in a preferred government institute.

Variance in fees across engineering and medical colleges





Source: College Websites, CRISIL Research

- ***Increased awareness of career advancement through success in entrance exams***

Placement in companies post graduation is one of the key driving factors attracting students to a particular institute. Premier institutes, such as Indian Institutes of Technology (IITs), have close to a 100% placement record every year and salaries offered are also 2-3 times higher than those of other engineering institutes. Some of the best companies in India and abroad come to these institutes and provide good career opportunities for students. The table below shows the average median salary offered in the top 50 engineering institutes:

Average Median Salary	**(In Rs)**
IITs	964,280
NITs	561,583
Other colleges	495,225

Source: National Institute Ranking Framework (NIRF)

Premier institutes offer better teaching, have good research and professional practices, provide outreach and inclusivity, and improve perception of the student in the outside world. Due to the high competition that students face in the entrance exams of these institutes, students opt for coaching classes to improve their prospects of gaining admission.

- ***Increasing coaching market for junior competitive exams***

Low conversion rates in entrance exams and increased awareness about this encourages students to start preparing at a very early age. The competitive examinations like International Mathematics Olympiad, National Science Olympiad and National Talent Search Examination (NTSE) provide a good platform for the students to develop their analytical skills and also master their knowledge in mathematics and science. Further, it also acts as a good foundation for the candidates planning to prepare for Joint Entrance Examination (JEE) and National Eligibility Cum Entrance Test (NEET).

With a view to strengthen the fundamentals of candidates at an early stage during Class 6 to Class 10, many classes provide coaching for foundation course, which covers school boards as well as competitive exams. Preparation for all examinations under one roof provides good proposition for students. Further, superior quality of services provided by organised players will push the growth for junior competitive exams.

- **Digital Education: To witness sharp growth with rising internet penetration**

Private schools, as well as major players in the test preparatory segment, are increasingly using digital content to supplement classroom learning and differentiate themselves.

Urban private schools in India form the core target market for digital education. The estimated number of urban private schools has increased at a 5-6% CAGR. However, the estimated penetration of digital classrooms remains low at approximately 40% as at FY 2018. A large underpenetrated market and the possibility of more urban private schools in the next three years imply significant growth potential for the digital education industry.

Apart from recorded content on digital devices, some coaching institutes have also introduced live/online classroom courses, which enable students to have live interactive sessions while accessing content from their desired location. A lack of good facilities for training for competitive exams, such as JEE and NEET, in Tier II and III cities, provides a major opportunity for the digital learning segment of coaching institutes. Digital media can help coaching institutes expand their geographic reach within the country. This will enhance the share of digital education in the test preparatory space, which is also growing at a robust pace.

The major barrier to the growth of online education has been connectivity, especially in rural areas. The number of wireless internet subscribers is expected to increase by ~180 million during FY 2018 to 2021. By FY 2021, CRISIL Research forecasts India to have close to 630 million wireless subscribers. A decrease in internet cost has been one of the major factors leading to an increase in data usage over the last few years. Between FY 2014 and 2018, data usage per subscriber increased by 15 times. Going forward, low data costs will make digital education more affordable and also help its penetration beyond Tier I cities.

Therefore, with improvements in both network infrastructure and penetration, along with decreasing internet costs, CRISIL Research expects the market for online education to grow rapidly.

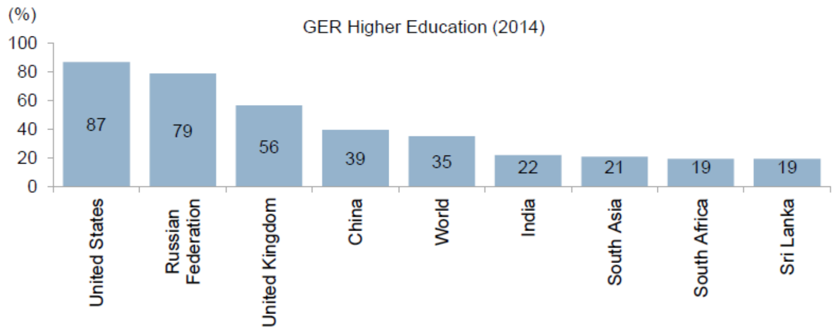
HIGHER EDUCATION IN INDIA

The definition of higher education includes all courses offered post the higher secondary level (grade XII), and comprises traditional courses across streams such as arts, commerce, science, and professional courses such as engineering, management, etc. It also comprises medical courses, teacher training, and specialised courses in agriculture, polytechnics and research.

India, with 32 million enrolments in higher education in 2013, was ranked second in the world, after China (34 million enrolments). Also, India has the highest number of higher education institutes at approximately 52,599, as per the All India Survey on Higher Education's provisional report of 2015-16.

Despite this, the GER in higher education was just 22% in FY 2016 as against over 100% at the primary level. The high enrolment figure at the primary level is not sustained at higher levels owing to teacher absenteeism, high pupil-teacher ratios, high dropout rates and weak infrastructure. In fact, according to the 71st NSSO data, only 8.2% of the population are graduates.

India lagging far behind world in terms of GER in higher education



Source: UNESCO Institute for Statistics, CRISIL Research

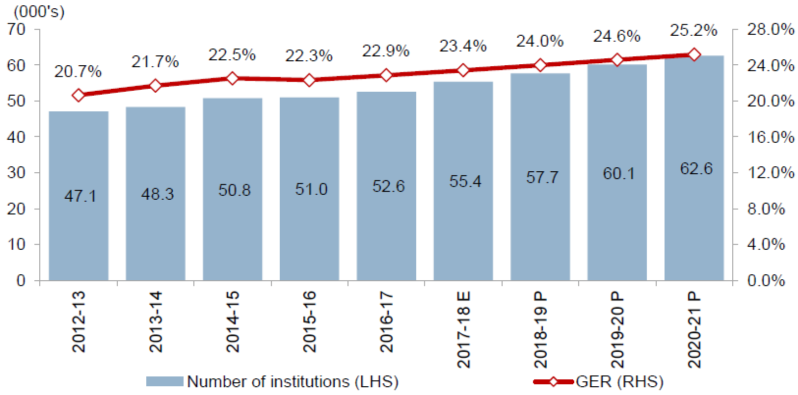
Higher education in India characterized by low, but improving, GERs

An increase in intake by premium institutes and a mushrooming of private colleges have expanded the overall intake capacity in higher education, and consequently improved the GER to 23.4% in FY 2018 from 20.7% in FY 2013.

Enrolment is estimated to grow at 5% CAGR over FY 2018 to 2021, which is a slightly faster pace than the 4.8% CAGR during FY 2013 to 2018. Therefore, CRISIL Research projects the GER to exceed 25% by FY 2021.

A relatively low number of quality institutions in higher education will remain a significant factor, restricting faster growth in enrolment. This will result in increased competition for obtaining entry to a few quality educational institutions. With rising incomes, households are also willing to pay more for quality education.

Higher education with low GERs suggests scope for growth in enrolments



E: Estimated; P: Projected; GER: Gross enrolment ratio

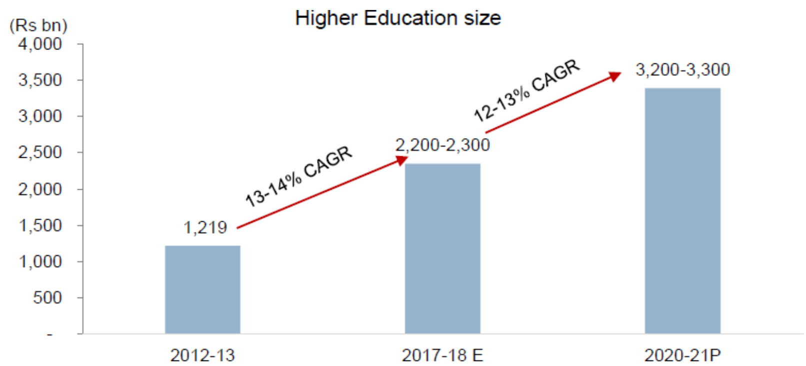
Source: CRISIL Research

Private as well as public players to drive higher education growth

The higher education market expanded at 13-14% CAGR between FYs 2013 and 2018 to ₹ 2,200-2,300 billion and was largely driven by the mushrooming of private colleges.

In the next three years, the higher education segment is projected to expand at a sustained rate of 12-13% CAGR to ₹ 3,200-3,300 billion, driven by increasing enrolment and realisations. The sector's realisation is expected to improve with the increase in fees.

Higher education segment growth driven by enrolment in private institutions



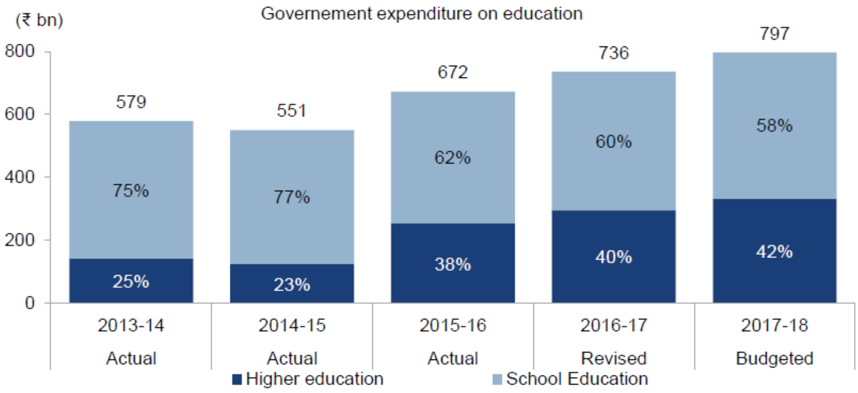
E: Estimated; P: Projected

Source: CRISIL Research

Increasing government spend on higher education to aid sector's growth

Low GERs, high disparities in GERs and the relative size of the target population present significant opportunities for the education industry. According to a United Nations (Population Division) report, India had the world's largest youth population (5-19 years) in 2015 at ~377 million. For the Indian economy to grow at a higher rate on a sustainable basis, it is imperative to invest in the health and education of its young population and, therefore, in higher education. Of total government spending, the share for higher education has improved significantly in the past five years, from 25% in FY 2014 to 42% in FY 2018 of total expenditure on education. Increased government focus on this segment is evident from budgetary allocation for FY 2018, wherein the Higher Education Financing Agency accounted for ~50% of the incremental education allocation.

Rising government spend on higher education



Source: Indian Government Budget reports

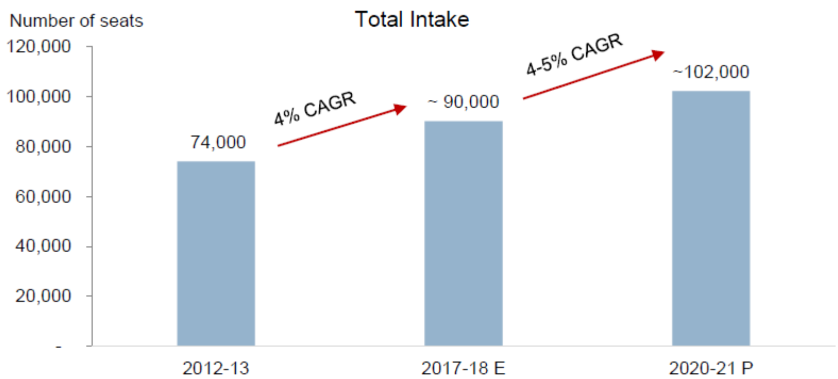
Medical colleges characterised by high demand-supply gap

India has ~480 medical colleges and ~310 dental colleges, with capacity to admit ~90,000 students per year. Intake capacity, which rose at 4% CAGR from FY 2013 to 2018, is expected to grow at 4.0-4.5% CAGR from FY 2018 to 2021, driven by government impetus through initiatives such as increasing approved intake per institute and setting up of more institutes.

Huge demand for medical colleges can be gauged from the fact that medical entrance applicants for the NEET exam (1.15 million applicants) were 15 times the total intake (~77, 000 seats) during FY 2018. In the next three years, CRISIL Research expects 95-100 colleges to be set up as compared with 136 colleges added between FYs 2013 and 2018. College additions will be restricted by supply-side constraints such as stringent government regulations (which results in rejection of the proposal) and higher investment to meet infrastructural requirements mandated by Medical Counsel of India (MCI) regulations.

The geographic distribution of medical colleges (including dental colleges) shows that the south zone of India accounts for the highest student intake. There was a significant increase in student intake in the southern states, from ~34,000 students in 2013 to ~40,000 students in 2018. Nearly half of the incremental intake of medical students in India came from the southern states in the last five years.

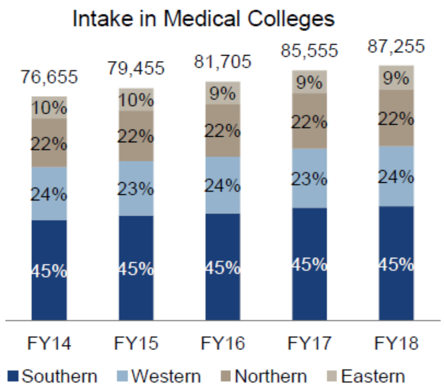
Intake in medical stream to grow at faster pace

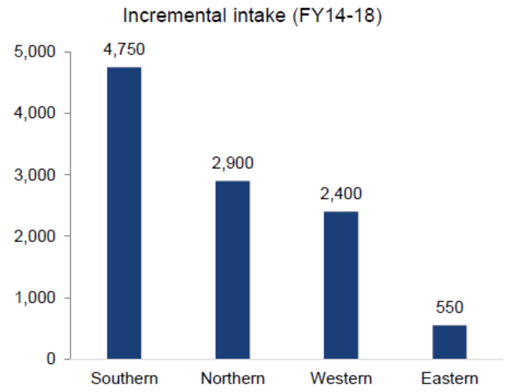


E: Estimated; P: Projected

Source: Medical Council of India (MCI), Dental Council of India (DCI), CRISIL Research

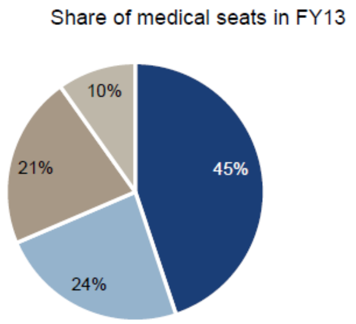
Intake has increased remarkably in the south zone

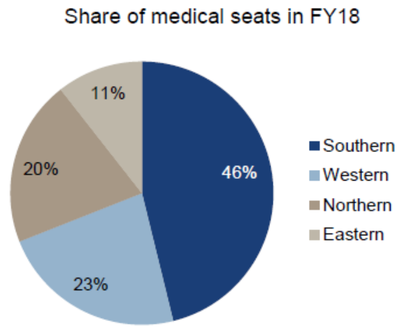




Source: MCI, DCI

South zone accounts for half of the intake capacity in medical and dental courses

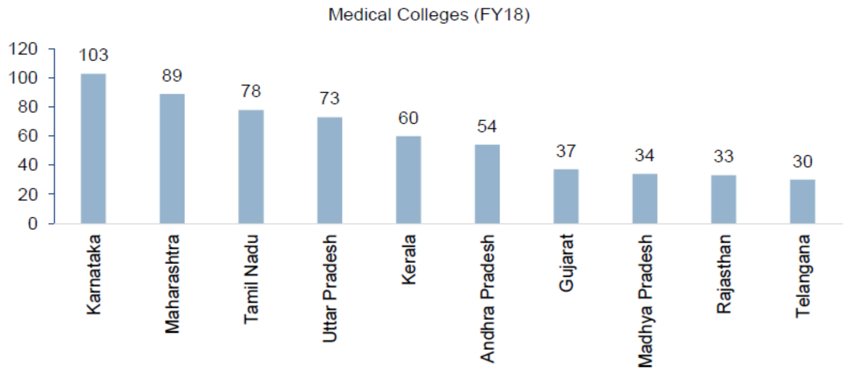




Source: MCI, DCI

In the last three years, the southern states of India, with the exception of Kerala, have sought an increase, both in the number of undergraduate seats as well as in the approval of new medical colleges, in both the private and public sectors. This has resulted in more medical colleges and, consequently, higher student intake in these states.

State-wise number of institutes

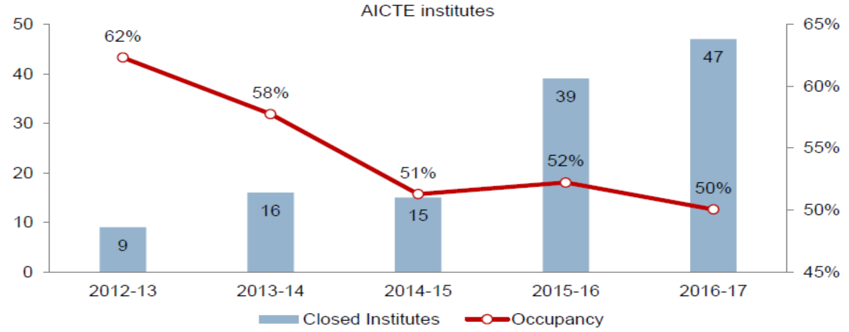


Source: MCI, DCI

- **Lower tier engineering colleges marked by oversupply**

India has 3,200-3,400 engineering colleges recognised by All India Council for Technical Education (AICTE)[1] offering undergraduate courses. These collectively offer 1.5-1.6 million seats. However, the occupancy rate in these colleges was as low as 50% in FY 2018, indicating huge oversupply. Lack of infrastructure (primarily Tier III colleges) and a shortage of experienced and qualified faculty have adversely impacted the employability of students graduating from low-tier colleges, thereby reducing demand for such colleges. This is reflected in the closure of ~47 AICTE engineering colleges and 400-500 engineering courses in FY 2018 and fewer new AICTE engineering colleges, bringing down the total number of AICTE engineering seats by ~75,000.

Engineering colleges marked by declining occupancy rates and rising closures



Source: AICTE

In contrast, premier institutes such as IITs, National Institutes of Technology (NITs), Government Funded Technical Institutes (GFTIs) and Indian Institutes of Information Technology (IIITs) are much better in terms of infrastructure, faculty quality and placement opportunity, and are characterised by near full occupancy. The intake in these institutes is, therefore, expected to rise. However, the seats offered in these institutes represent only ~2.5% of the total seats in engineering colleges.

The shortcomings of lower tier engineering institutes are increasingly drawing students to aspire for the limited seats in premier institutes. The result is 1.1-1.2 million students appearing for each medical and IIT entrance exam, with the number of aspirants many times greater than the number of seats offered.

Significant difference in occupancy rates for institutes accepting JEE (Mains) score and institutes carrying out admissions through State CETs

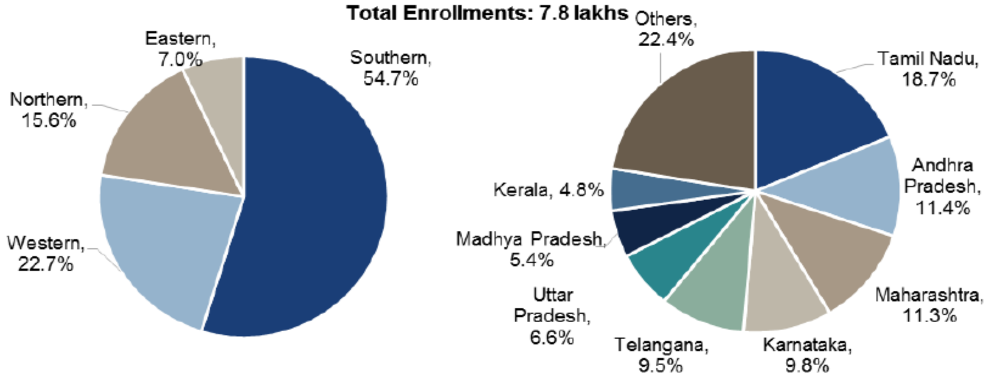
As compared to merely ~50% occupancy rates for AICTE approved colleges in 2016-17, the institutes in Maharashtra and Andhra Pradesh accepting JEE (Mains) score recorded 64% occupancy and JEE (Mains) accepting institutes in Telangana recorded 77% occupancy. Further, the occupancy rates for IITs, NITs, GFTIs and IIITs was ~99% in 2016-17.

State-wise trends in engineering stream

In academic year 2016-17, around 780,000 students enrolled (based on enrolments for first year) for engineering courses under the AICTE. The south zone accounted for ~55% of the total enrolments for the year, followed by the west zone with ~23%. Further, Tamil Nadu and Andhra Pradesh are the top states in terms of enrolment, together accounting for ~30% of total engineering enrolments in 2016-17, followed by Maharashtra with an ~11% share.

[1] *Colleges affiliated to AICTE are a subset of those surveyed by AISHE and hence enrolments and intake are lower for AICTE than AISHE. This can lead to a mismatch in the growth rates for data used from AICTE and AISHE.*

Share of different regions in enrolments (2016-17)



Source: AICTE, CRISIL Research

Engineering college enrolments witnessed a 5.3% CAGR decline from 2012-13 to 2016-17 on a pan-India basis, probably on account of a drop in placement opportunities for students and a rising awareness of different professional courses. Further, poor infrastructure and a lack of good faculty in many AICTE-approved colleges also impacted enrolments. The decline in engineering enrolments was highest for the north zone, which witnessed a ~11% CAGR decline between 2012-13 and 2016-17, followed by the west zone with a ~7% CAGR decline.

Government focusing on increasing share of premier technical institutes

In the case of the medical stream, higher fees in private colleges are attracting more students to premier government colleges, which charge lower fees. Better performances in entrance exams enable students to be admitted to their preferred institute, further intensifying competition in medical entrance exams.

In Union Budget 2018, the government announced the Revitalising Infrastructure and Systems in Education scheme, with a total investment of ₹ 1,000 billion in the next four years. The scheme aims to enhance the quality of higher education in India. The focus will be on stepping up investments in research and related infrastructure in premier educational institutions.

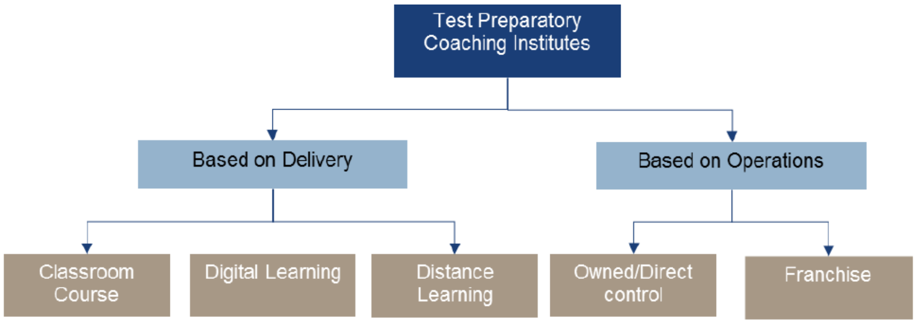
There has also been an increase in the number of government-promoted premier institutes, such as the All India Institute of Medical Sciences (AIIMS) and IITs. Six AIIMS have been set up and seven are in the planning stage. Also, 73 government medical colleges are being upgraded under the Pradhan Mantri Swasthya Suraksha Yojana. Similarly, in December 2015, the Union Cabinet cleared proposals to open six new IITs in Andhra Pradesh, Chhattisgarh, Goa, Jammu & Kashmir, Karnataka and Kerala. This will increase the number of IITs to 23 (which also includes the Indian School of Mines, Dhanbad).

While the push will increase intake in quality institutes, continuing intense competition to obtain entry to these institutes presents a huge opportunity for the coaching and test preparatory segment.

ASSESSMENT OF TEST PREPARATORY COACHING INSTITUTES IN INDIA

Test preparatory coaching institutes train students for competitive exams, including in engineering and medicine, for entry into higher educational institutions and civil services exams. These institutes also provide coaching for competitive exams (NTSE, Olympiad) at the school level in the form of foundation courses. Based on our assessment of students enrolled and average fees, CRISIL Research estimated the overall test preparatory market in India to be ~₹ 470 billion (USD 7.3 billion) in FY 2018. Training for JEE and NEET constitutes close to 50% of the market.

Business model for test preparatory coaching institutes



Based on the type of delivery, coaching institutes have three main models. While they primarily operate through the traditional classroom model, other models, such as digital learning and distance learning, are gaining popularity and helping players widen their reach. Currently, the share of digital learning in the overall test preparatory coaching market remains below 5%.

The traditional classroom model is the most preferred mode of training as it allows personalised attention, easy doubt clearance and constant monitoring of performance. The digital learning segment has been among the fastest-growing segments in the last few years. Players have introduced digital products including recorded content on personal computers (PCs), laptops, tablets and mobile phones. Apart from recorded content, some institutes have also introduced live/online classroom course, which enables the student to have live interactive sessions while accessing live content from his desired location on PC, tablet or mobile. The segment has many standalone players as well, who are trying to penetrate the market only through the digital platform.

Test preparatory institutes can also be segregated based on their type of operations, such as:

- ***Owned/direct control:*** Under this model, the institute has complete control over operations on the premises. The premises are either owned or leased by the institutes. This model helps maintain complete control over quality and regularly monitors the performance of faculty members.

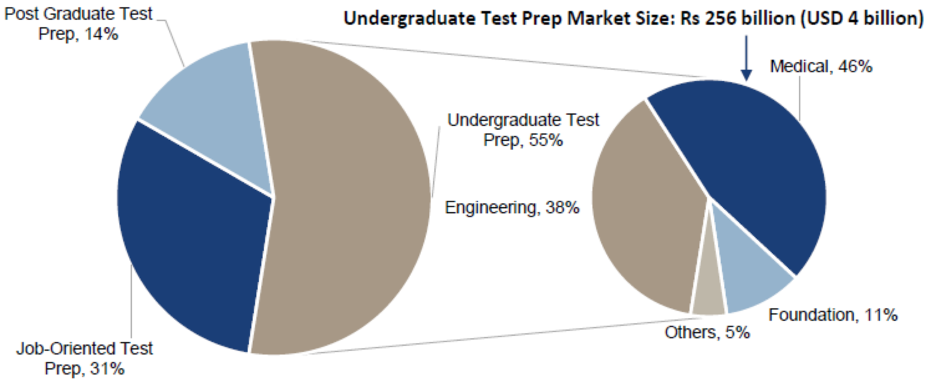
- ***Franchise:*** Many players also employ the franchise route, which is an asset-light model helping players expand geographically without straining their balance sheets. Under this model, neither the infrastructure nor the faculty are directly controlled by the institute. The institute merely provides permission to a party to use its brand name subject to meeting its minimum requirements in terms of quality, infrastructure and number of students. In many cases, the institute also provides assistance in training faculty members in order to ensure uniformity in quality. In return, the franchisee typically pays a revenue share to the franchisor. The downside in this model is that the service provider runs a reputational risk if the franchisee is unable to provide a consistently superior learning experience.

Typically, larger players use a mix of direct owned and franchise models. Local franchisee partners help in making better connections with the parents, can provide better management, and help reduce operational hassles. However, in the critical markets (higher enrolments, presence of premier institutes in the city, strong student performance), players largely rely on their own branches.

Undergraduate test preparatory segment has highest share in overall test preparatory coaching market

As at FY 2018, the overall market size of the test preparatory market was ~₹ 465-470 billion (~USD 7 billion). The undergraduate test preparatory market (including foundation coaching) constituted the highest market share of ~55%, followed by 31% market share for job-oriented test preparatory courses.

Share of different segments in test preparatory coaching institutes (FY18E)



Note: Others include test prep for architecture, Cost accountancy, Law and Scholastic Assessment Test (SAT)

Source: CRISIL Research

Coaching for medical entrance accounts for the largest share in the undergraduate test preparatory market

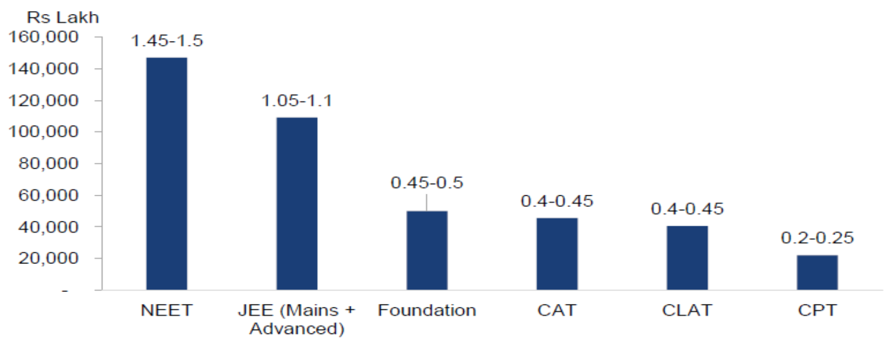
The undergraduate test preparatory market primarily constitutes coaching for admission to premier institutes such as IITs and AIIMS, and therefore enjoys a significant market share in the overall test preparatory space. Hence, coaching for engineering and medical entrance exams accounts for ~84% market share in the undergraduate test preparatory space.

With a higher number of possible attempts for NEET (as compared to two for JEE) and a high number of repeaters, the number of students opting for coaching for medical courses has traditionally been higher than engineering courses. Therefore, medical test preparatory coaching has the largest share in the undergraduate test preparatory space. The centralisation of admission for medical colleges through NEET has also contributed to the higher share. The growth and penetration of the test preparatory segment has been robust in India due to a lack of quality teaching offered by the government as well as private schools.

Realisations highest for medical and engineering entrance examinations

Due to the importance of entrance examinations for medical (NEET) and engineering (JEE) courses, the average realisations for players in these segments is substantially higher than in other segments. Further, the skill sets required among faculty members, coupled with intense competition in these exams, lead to higher fees for engineering and medical courses.

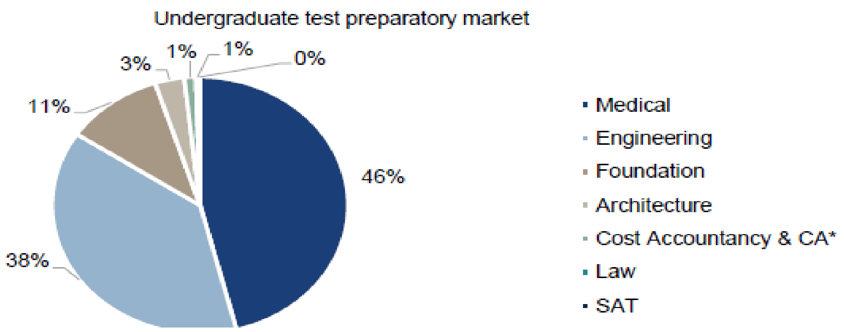
Fees for different courses (2017-18)



Note: Fees mentioned for JEE (Mains + Advanced) and NEET are for one-year course

Source: Company Websites, CRISIL Research estimates

Share of different segments in under-graduate test preparatory coaching institutes (FY18)



Note: SAT: Scholastic Assessment Test - used for college admissions in the United States

** Only foundation stage for Cost Accountancy (CA) and CA is considered in undergraduate test preparatory coaching*

Source: CRISIL Research

JEE, NEET entrance examinations to be conducted twice a year from 2019

As per an announcement by Union Human Resource Development (HRD) ministry in July 2018, NEET exam for entry into medical colleges and JEE exam for entry into IITs/NITs and other premier institutes will be conducted twice a year from 2019 as against the current practice of only one exam in a year. While NEET will be conducted in February and May, JEE exams will be held in January and April every year.

The syllabus and pattern of the question papers would remain the same. Students will have the option of appearing in either of the two or both the exams and the highest score of the two results will be taken into account for admissions.

These exams will be conducted by National Testing Agency, an autonomous testing organization formed to conduct entrance examinations for higher educational institutions and both the exams will now be computer based.

Dual exams in a single year to help students and coaching institutes

Earlier, if students did not clear IIT-JEE or medical NEET exam, they will have to wait for a whole year before appearing for the examinations. The government's move allows students one more opportunity to improve their scores in the same year. The coaching institutes are expected to witness an increase in number of aspirants due to the following reasons:

- Earlier, a number of aspirants would not have applied for the second attempt due to one-year gap between the examinations. With the gap between two competitive examinations narrowing to three months, the number of repeat candidates are expected to increase.

- Concurrently, more new students are likely to opt for short duration refresher courses in an attempt to get higher scores.

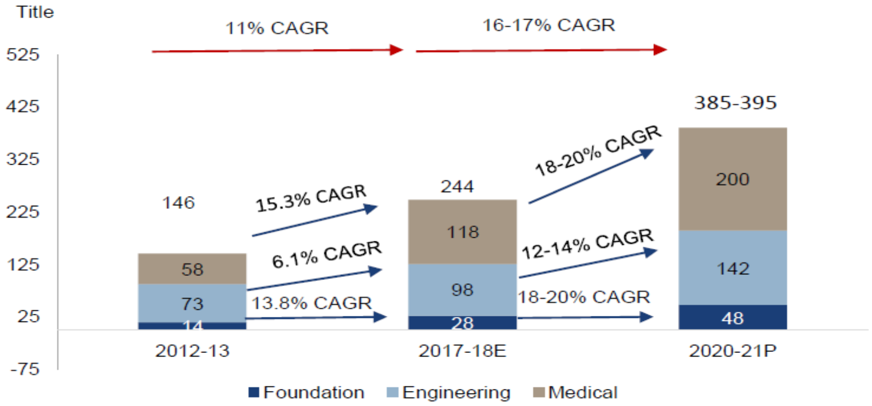
- Compulsory computer-based tests will also lead to an increase in penetration of digital education as students will become more comfortable in using digital platform for learning purposes.

Test preparatory coaching industry to see more robust growth over next three years

Over the last five years, the undergraduate test preparatory coaching industry focused on engineering, medical and foundation courses logged a CAGR of ~11% to ₹ 244 billion, primarily driven by a ~15% CAGR in the medical test preparatory segment. Growth in the medical test preparatory coaching segment was significantly higher than that of engineering due to centralisation of admissions for medical colleges through NEET from FY 2017. Centralisation of admissions is likely to have helped organised institutes gain market share from unorganised players in the space, who primarily cater to students appearing for state Common Entrance Tests (CETs). Further, organised institutes have strong expertise in preparation for national level examinations.

The undergraduate test preparatory coaching institutes (for engineering, medical and foundation courses) also recorded strong growth in demand for foundation courses in the last five years.

Growth trend in undergraduate test preparatory coaching institutes



Note: Undergraduate test preparatory market – considering engineering (both IIT and non-IIT), medical and foundation courses only

Source: JEE Reports, CBSE, CRISIL Research

CRISIL Research believes growth will further accelerate to 16-17% CAGR in the next three years, to over ~₹ 390 billion by 2020-21. Growth in all the three segments is expected to be healthier in the next three years than in the previous five years, for the following reasons:

- In the medical segment, centralisation of admissions for medical colleges through NEET will aid growth of organised test preparatory coaching institutes.
- In the engineering segment, the wide gap in quality between premier institutes and other institutes will lead to more candidates preparing for JEE (Advanced) rather than state CETs.
- The willingness to start preparation for entrance exams from an early age, introduction of mandatory board exams at the school level coupled with increasing awareness among parents will drive growth in the foundation segment.

Intense competition to obtain entry to premier institutes such as IITs, NITs or AIIMS will continue to remain one of the leading factors for growth in the undergraduate test preparatory segment.

Key growth drivers for test preparatory coaching industry

Intense competition for entry into premier institutes to drive coaching demand

There is a significant shortage of seats in premier institutes in the country, thereby leading to intense competition in entrance exams such as JEE and NEET. Moreover, the difference in parameters such as quality of faculty, students, research facilities, placement prospects between premier institutes and other low-tier colleges is substantial, making it vital for students to strive for seats in top institutes only. This creates a market for test preparatory coaching institutes that help students enhance their performance in the entrance tests.

Increase in internet penetration will pave way for growth through digital means

With the rise in internet penetration beyond major cities coupled with players also stepping up their efforts in the digital segment, revenue from the digital segment will likely aid substantial growth for players. Along with recorded lectures, the concept of virtual classrooms may also gain traction in Tier II and Tier III cities, thereby opening up new geographies for players.

Probable implementation of one entrance test for admission to engineering institutes may aid further growth of organised test preparatory coaching institutes

The Ministry of Human Resource Development (MHRD) has been pushing for one centralised exam to secure admission to all the institutes in the country. As a step in that direction, admission for all medical examinations is being carried out through NEET from 2016-17 onwards. A single national level exam (like JEE) for admission to engineering college, if implemented, will also benefit the organised test preparatory institutes as it is their main area of expertise. This will help in increasing the share of the organised sector in the test preparatory segment, as many students will then opt for organised test preparatory institutes. Further, on November 10, 2017, the government approved the setting up of a National Testing Agency (NTA) in order to conduct entrance examinations for higher education institutes. This suggests a step towards streamlining the entrance examinations at national level and a move towards one exam for admissions to all undergraduate courses in the country.

Increase in intake of premier institutes

Government focus on increasing GERs in the higher education segment and an emphasis on increasing the number of good-quality institutes will increase intake. Despite an increase in expected intake of quality institutes, demand will continue to outpace supply. This is expected to lead to higher demand in the test preparatory market. Contemporary teaching methodologies used by organised players, together with a shift in preference towards organised players, will also drive the growth for test preparatory educational institutes.

MEDICAL TEST PREPARATORY COACHING IN INDIA

Convergence to a single common entrance test

The National Eligibility-cum-Entrance Test (NEET) was introduced for admission to undergraduate (UG) and postgraduate (PG) medical courses in 2013-14. It was introduced for greater transparency in medical admissions, especially in private medical colleges, and to ensure better standards of medical education. However, after receiving petitions from several states, including Andhra Pradesh, Karnataka, Gujarat, West Bengal and Tamil Nadu, the Supreme Court cancelled the NEET in 2013-14. Later, with the passage of the Indian Medical Council (IMC) Amendment Act, 2016, NEET became a uniform entrance examination for admission to medical courses in the country. Most of the states used NEET for admissions in 2017. From 2018, it has become mandatory for all states to participate in NEET. Admissions for 100% of medical seats in both government and private colleges are to be given through the NEET-UG score. States will prepare separate merit lists for state quota (85%) and the all-India quota (15%) based on this score.

It must be noted that admission to the All India Institute of Medical Sciences (AIIMS) does not take place through NEET, but through AIIMS examinations conducted by the institute. Similarly, admission to Jawaharlal Institute of Postgraduate Medical Education & Research (JIPMER), Puducherry takes place through the JIPMER exam conducted by the institute.

Mandatory implementation of NEET augurs well for organised coaching institutes with national presence

CRISIL Research estimates that organised institutes accounted for 70-75% of the medical test preparatory market in FY 2018. Within this, the share of organised players with national presence was 20-25%. Mandatory implementation of NEET will reduce reliance on regional players who are adept at coaching for state level entrance tests based on the state board syllabus. National level players are concurrently likely to benefit owing to their experience in conducting AIIMS exam coaching (which is based on the National Council for Educational Research and Training (NCERT) syllabus, considered tougher than the state board syllabus). This is because students will prefer enrolling with institutes with prior experience of preparing for national level exams based on the NCERT syllabus.

Medicine, a coveted stream

The medical profession is perceived as a noble profession. The stability and respect offered by a medical career attract a substantial number of students of several hundred thousands to apply for medical entrance exams (a necessity for admissions), even though the number of seats is less than a hundred thousand. This has kept occupancy levels in these institutes at more than 90%. Huge demand, low intake and high cut-off marks owing to increasing competition draw students to test preparatory coaching.

Low doctor density in India indicates scarcity

According to World Health Organization (WHO) statistics (2017), India has the lowest doctor density among the BRIC (Brazil, Russia, India and China) countries. Further, it is estimated that more than 80% of doctors reside in urban areas and serve only 30% of the population. India is also increasingly becoming a destination of choice for medical tourism, owing to a good quality of service, which is on a par with developed countries and at a much lower cost. All these factors have resulted in a large and rising demand for medical professionals in India.

According to the information provided by the MCI, there are 1 million allopathic doctors registered with the state medical councils or MCI as at March 31, 2017. This translates to a ratio of 1 doctor per ~1,300 population, while the world average stood at 1 doctor per ~700 population. The ratio deteriorates further in rural areas in India. If India has to attain the WHO-suggested norm of 1 doctor per 1,000 population, the country requires 300,000-350,000 more doctors.

Government focus to improve intake

The Pradhan Mantri Swasthya Suraksha Yojana was announced in 2003, and approved in March 2006, with the objectives of correcting regional imbalances in the availability of affordable/reliable tertiary healthcare services and to augment facilities for quality medical education in the country. The scheme has two components – setting up new AIIMS and upgrading of existing government medical colleges (GMCs). The setting up of 19 AIIMS and upgrading of an existing 73 GMCs have been undertaken by 2018.

Government initiatives to address the scarcity of doctors are likely to help growth in colleges, and hence, intake. In FY 2018, 85 proposals were received for additional new medical colleges in India. In the next three years, CRISIL Research expects 95-100 colleges to be added, as compared with 136 colleges added between FYs 2013 and 2018. However, college additions will be restricted by supply-side constraints such as stringent government regulations (resulting in proposal rejections) and higher investment requirements.

Government initiatives	Relaxation in the norms for setting up of a medical college in terms of requirement for land, faculty, staff, bed/ bed strength and other infrastructure
	Strengthening/upgrading of existing state/central GMCs to increase MBBS seats with fund sharing between the Centre and states
	Establishment of new medical colleges by upgrading district/referral hospitals preferably in underserved districts of the country with fund sharing between the central and state governments
	Enhancement of maximum intake capacity at MBBS level from 150 to 250 per college

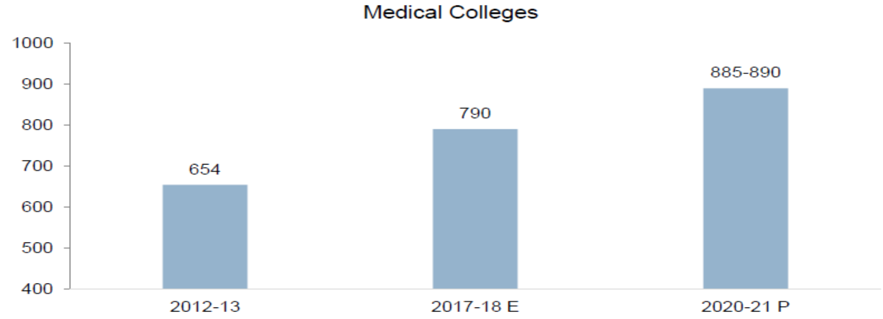
~45% of the total number of candidates appearing for medical entrance undertake coaching from organised test preparatory coaching institutes

Among the total 1.15 million medical entrance applicants, ~55-60% of students undertake coaching from organised or unorganised coaching institutes. Further, currently, the penetration of organised test preparatory coaching institutes is ~70-75%. This is estimated to grow further with mandatory NEET implementation as organised test preparatory coaching institutes have high expertise in national level examinations.

Going forward, an increasing awareness among students and parents, intense competition in the entrance examinations coupled with the use of digital education will lead to substantial growth for players, especially those outside urban areas.

Intake is expected to rise at a faster pace, at 4-4.5% CAGR, between FYs 2018 and 2021, owing to the addition of more government and private colleges, government initiatives such as relaxed norms related to infrastructure, and increases in approved intake per institute.

Increase in the number of medical and dental colleges



Source: MCI, Dental Council of India, 2017

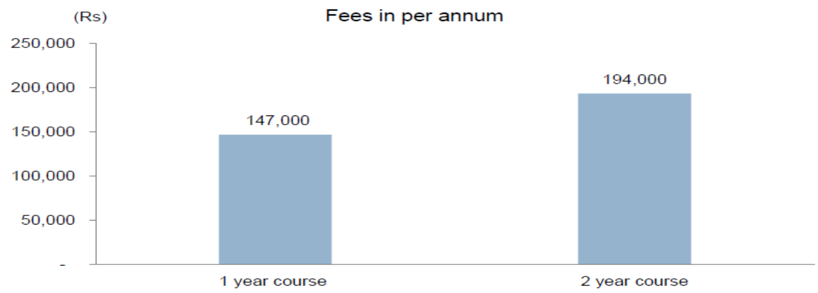
Medium-term growth projected at 19% CAGR

The number of applicants appearing for medical entrance exams has grown at 8-9% CAGR between FYs 2013 and 2018, with the introduction of NEET, a growing preference for the medical stream, rising intake, intense competition, and a growing number of applicants (both fresher and repeaters) for medical entrance exams. In FY 2018, nearly 1.15 million students appeared for NEET.

CRISIL Research foresees the number of NEET applicants rising further to reach 1.4 million by FY 2021, i.e., growing at 6-7% CAGR. A rising share of students opting for coaching rather than self-study will translate into a growth of 7-9% for students enrolled in the medical test preparatory and coaching segment.

The average fees charged by the Joint Entrance Examination (JEE) test preparatory players increased at ~7% CAGR between FYs 2013 and 2018 and is expected to increase at the same pace going forward. The fees charged by the national level players is 35-40% higher than those of regional and local players. Strong brand name, proven track record, better infrastructure, and use of technology to enhance the coaching experience are some of the reasons national players are able to charge a premium as compared with other players.

Typical fees in medical test preparatory industry for 2018-19

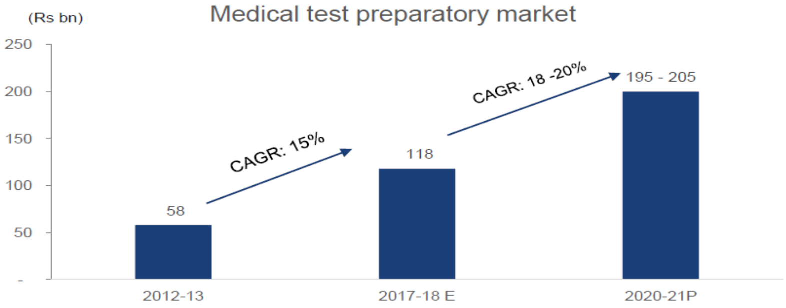


Note: Effective fees post discounts for six large national and regional players

Source: Industry, CRISIL Research

The market for the medical test preparatory segment is estimated to have grown at 15% CAGR between FYs 2013 and 2018 to ₹ 118 billion. CRISIL Research projects the market to grow at 19% CAGR in the next three years, aided by a rise in the number of enrolments as well as fees.

Past and projected growth in the medical test preparatory segment



Note: E: Estimated, P: Projected

Source: CRISIL Research

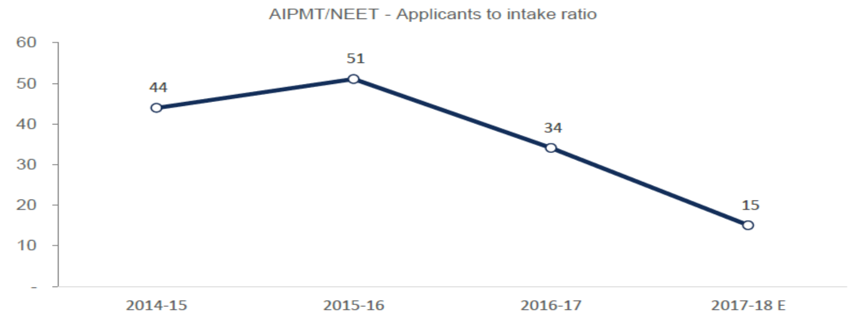
Key growth drivers

Intense competition in the medical exams

Huge demand and much lower intake have resulted in intense competition to obtain a seat in a medical college. The absence of a limit on the number of attempts and a wide permissible span of the age limit (17-25 years) ensure that there are a huge number of applicants in the form of repeaters (~65%). Also, high cut-off marks owing to increasing competition (high student interest for a select few reputed institutes) make competitive exams a real number game. The chart below indicates the level of competition in all-India medical exams. During FYs 2015 and 2016 when only 15% of the medical seats were available for applicants taking central exams, the number of applicants was 45-50 times the total available number of seats.

With government mandating compulsory NEET scores for admission into any medical institute in India (except AIIMS and JIPMER) and states beginning to adhere to it, the applicant to intake ratio for NEET has come down to 15 times by FY 2018. Intense competition has induced more students to opt for coaching rather than self-study.

High applicant to intake ratio in AIPMT/NEET



Note: Applicants and intake for FY15 and FY16 correspond to AIPMT exam whereas the same for FY17 and FY18 correspond to NEET

Applicants to intake ratio = (Applicants for all-India medical entrance exams)/(Total number of medical seats available for admission under these exams)

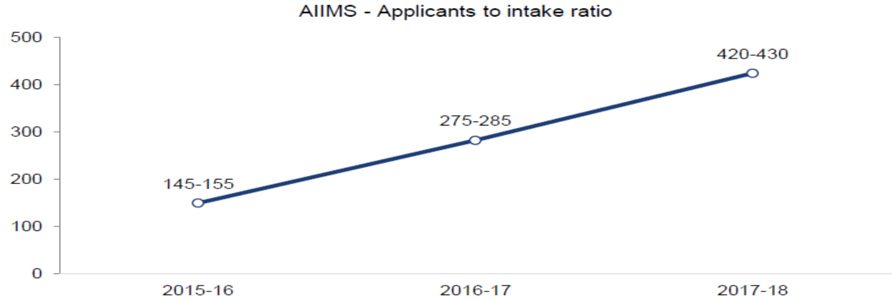
Intake corresponding to NEET/AIPMT includes seats for Bachelor of Medicine and Bachelor of Surgery (MBBS) and Bachelor of Dental Surgery (BDS)

Intake corresponding to AIPMT in FY15 is for 15% of seats in colleges across India offering MBBS and BDS courses

Intake corresponding to NEET in FY17 and FY18 is for colleges across India offering MBBS and BDS courses and using NEET for admission process. Apart from 15% of seats, intake for NEET 2016 was higher as some states like Haryana, Himachal Pradesh and Madhya Pradesh removed state CETs and accepted NEET for the other 85% as well.

Source: CRISIL Research, MCI, Dental Council of India, CBSE-NEET

Rising applicants to intake ratio in AIIMS exam



Note: Applicants to intake ratio = (Applicants for AIIMS entrance exam)/(Total number of medical seats available in AIIMS colleges)

Source: Industry, CRISIL Research

Lower fees in government colleges drive students to opt for coaching

Less than 10% of applicants eventually manage to obtain a seat in a medical college. Government colleges account for 33-37% of these seats, and they are typically characterised by lower fees. Government medical college seats cost ₹ 50,000-₹ 60,000 per annum for the four-and-a-half-year course. The private sector seats, on the other hand, cost ₹ 1,200,000-₹ 1,500,000 per annum. This has increased the demand for admissions in government medical colleges, particularly the premier ones, where an entrance exam is the only means of admission. This translates into a higher willingness to spend money on coaching to secure admission to a preferred government institute.

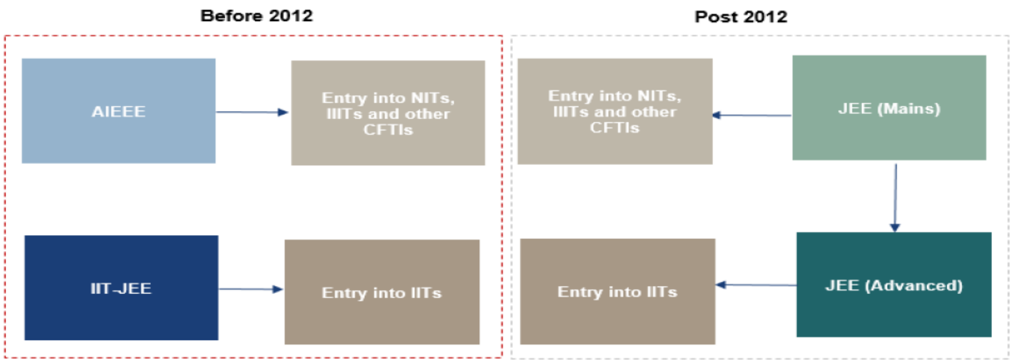
ENGINEERING TEST PREPARATORY COACHING INDUSTRY IN INDIA

History of the engineering entrance exam and test preparation market

Engineering admissions in the country have traditionally been through a separate entrance exam, conducted in addition to the grade XII examination by the respective state boards. Apart from the JEE, many state boards conduct their own entrance exams for engineering admissions in the respective states.

The Joint Entrance Exam (JEE) is India's most competitive national-level engineering entrance examination and is divided into JEE (Mains) and JEE (Advanced). Post 2012, the Joint Admission Board (JAB) introduced a screening exam for IIT in the form of the JEE (Mains) conducted by the Central Board of Secondary Education (CBSE), restricting the number of candidates who could directly attempt the IIT entrance exam (i.e. the JEE (Advanced)). JEE (Mains) also acted as an entrance exam for NITs, GFTIs, IIITs and other state institutions from 2013 onwards. Though JEE (Mains + Advanced) remains a widely popular exam for admission to premier institutes, major states such as Maharashtra, Karnataka and Uttar Pradesh continue to conduct their own engineering CETs for admissions to other AICTE-approved colleges.

Change in procedure for admission to premier institutes

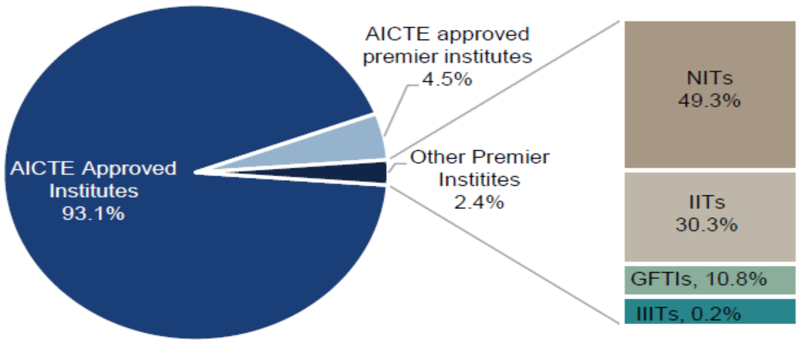


Competition high for admission to IITs due to limited available attempts and fewer seats

Share of premier engineering institutes in overall engineering intake is very low

In 2017-18, a total of 1.5 million seats were available for engineering candidates. However, of the total available seats, a mere 36,208 seats (2.4% of overall seats) were offered by the country's premier institutes. The remaining seats were offered by AICTE-approved institutes. Despite there being many good AICTE-approved institutes, there is a substantial difference in quality between AICTE-approved colleges. For example, even among the top 70 institutes (excluding IITs and NITs) in the country, the median salary of a student from the AICTE-approved colleges in this list was half that of a student from the IITs, as at 2016-17, according to data released (April 2018) by National Institutional Ranking Framework, Ministry of Human Resource Development.

Low intake of premier institutes (academic year 2017-18)



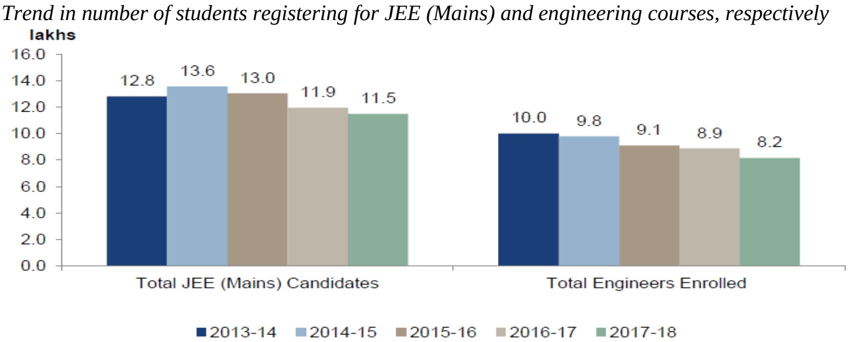
Source: The Joint Seat Allocation Authority, CRISIL Research

The number of seats offered by the NITs, GFTIs and IIITs stood at 25,220 for 2017-18, translating into one seat per 45 candidates enrolling for JEE (Mains). On the other hand, for IITs, only one seat was available per 104 candidates enrolling for JEE (Mains) during this period. Therefore, the limited availability of seats makes competition to enrol in a premier institute in the country very intense.

JEE characterised by wide aspirant base and very intense competition

Registration for JEE (Mains) has been substantially higher than the number of students enrolling for engineering courses every year. The number of candidates enrolling for engineering courses grew at a ~5% CAGR decline to 820,000 from 2013-14 to 2017-18 on account of poor placement opportunities and sub-par education quality provided in many non-premier AICTE-approved institutes. However, the number of candidates appearing for JEE (Mains) registered a slower decline of 2.7% CAGR to ~1.15 million candidates during this period. Further, the drop in JEE (Mains) registrations in 2016-17 and 2017-18 can also be attributed to the reintroduction of the Maharashtra engineering CET, which was scrapped in 2014 but reintroduced from 2016-17 onwards.

Trend in number of students registering for JEE (Mains) and engineering courses, respectively



Source: JEE Reports, CRISIL Research

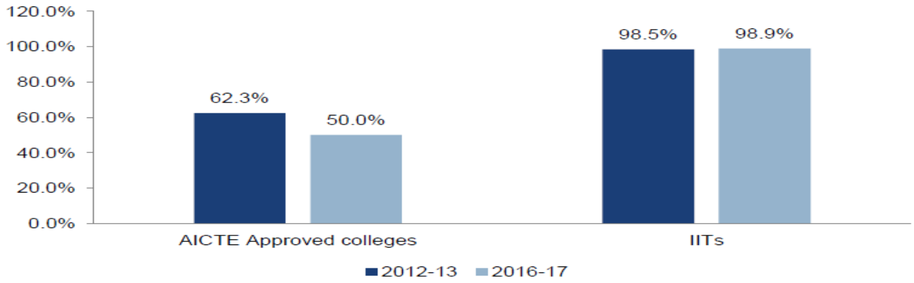
Of the total candidates appearing for JEE (Mains) in 2016-17, only ~13% qualified for JEE (Advanced) and a mere 2.7% qualified for counselling rounds for IITs. The low conversion rate was on account of the limited seats available in the IITs.

The intense competition for admission to the IITs has led to many candidates opting for a second attempt at JEE (Advanced). The JAB having limited the number of attempts for IIT (JEE) to two attempts in successive years, the number of aspirants making a second attempt has traditionally been in the range of 15-20%. The conversion rate for second-time test takers is significantly higher, as compared to first-time test takers. For example, in JEE 2014, despite second-time test takers accounting for 16.4% of total registrations, they constituted a significantly higher share of overall qualification for counselling at 31.4%.

IITs continue to retain their popularity among candidates as lower rung AICTE-approved institutes fall out of favour

Even as enrolments to AICTE-approved colleges dropped by ~6% CAGR to 778,813 students during FY2017, IITs continued to enjoy near-full occupancy rates accompanied by ~2% CAGR increase in intake to 10,688 seats in FY2017. Going forward, the percentage of students preparing for JEE (Mains and Advanced) is likely to increase, primarily on account of an increase in the penetration of test preparatory coaching institutions and availability of digital learning products in Tier II and Tier III cities.

Occupancy trend percentage for IITs and AICTE-approved colleges



Source: JEE Reports, Industry, CRISIL Research

Only ~16% and ~20% of AICTE-approved engineering colleges in Tamil Nadu and Maharashtra, respectively, operate above 80% occupancy. Therefore, the intense competition in the JEE has facilitated the creation of many private test preparation coaching classes in the country.

According to CRISIL Research estimates, JEE (Mains + Advanced) constituted around two-thirds of the engineering test preparatory (including coaching for JEE (Mains + Advanced) and State CETs) market in the country, as of 2017-18. Therefore, the engineering test preparatory coaching industry is largely concentrated in coaching for JEE, primarily on account of the gap in quality between Tier I and other institutes in the country.

Occupancy for institutes accepting JEE (Mains) scores substantially higher than other institutes

Apart from admission to IITs, NITs, GFTIs and IIITs, the JEE (Mains) score is also used widely for admission to AICTE-approved institutes. According to CRISIL Research estimates, the total intake capacity of engineering institutes accepting JEE (Mains) was ~420,000 in 2016-17, constituting ~25% of overall intake in AICTE-approved institutes.

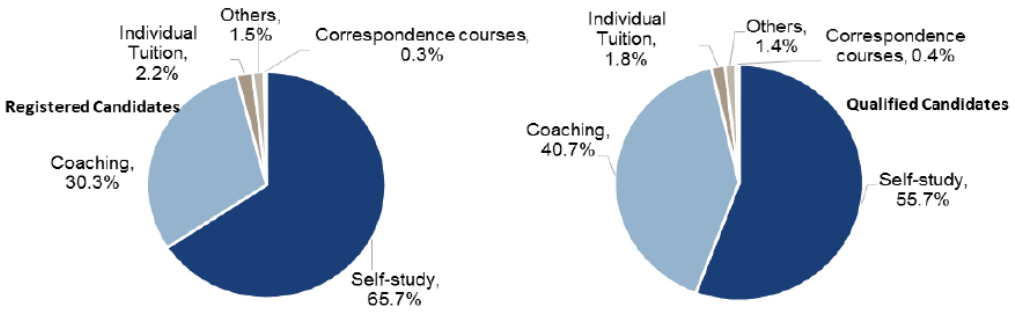
Different states have varying regulations with respect to intake of students through JEE (Mains) scores. For example, institutes in Maharashtra, Andhra Pradesh and Telangana (accounting for ~57% of the total AICTE seats) admit 15% (of total intake) students through JEE (Mains). In these states, the occupancy rates for those institutes accepting JEE (Mains) scores is substantially higher than institutes carrying out an admission process through state CETs or other entrance exams. This is probably on account of comparatively better facilities provided by the JEE (Mains) accepting institutes, as compared to other AICTE-approved institutes.

The higher popularity of those institutes conducting admissions through JEE (Mains) will translate to higher enrolments for JEE (Mains), thereby creating demand for private test preparatory coaching institutes.

Students enrolled with test preparatory coaching institutes outperform peers who self-prepare for the JEE

As per the JEE 2016 report, of the total number of registered candidates, ~30% of aspirants opted for private coaching. However, of the total candidates who qualified for counselling to the IITs, ~41% had undergone coaching, which suggests that students who obtained coaching significantly outperformed those who prepared for the JEE (Advanced) through self-study.

Mode of preparation for students in JEE (Advanced) (2016-2017)



Note: Registered candidates = Number of candidates registered for JEE (Advanced); Qualified candidates = Number of candidates qualified for counselling in IITs

Source: JEE Report, 2016, CRISIL Research

IIT hubs unlikely to see same traction

The attractiveness of the JEE coaching hubs of Kota and Hyderabad for Indian Institute of Technology exam preparation is diminishing among students and parents despite these hubs producing strong results year-on-year. This is because the availability of good coaching resources is no longer a major constraint, especially for students residing in most major cities. In the organised coaching space, top regional and national players have expanded their presence over the years, and are currently present in up to 50 cities, on average. Increasing penetration of digital education is also likely to reduce the appeal of coaching hubs in the future.

Only ~25% of the total number of candidates appearing for JEE (Mains) undertake coaching from organised test preparatory coaching institutes

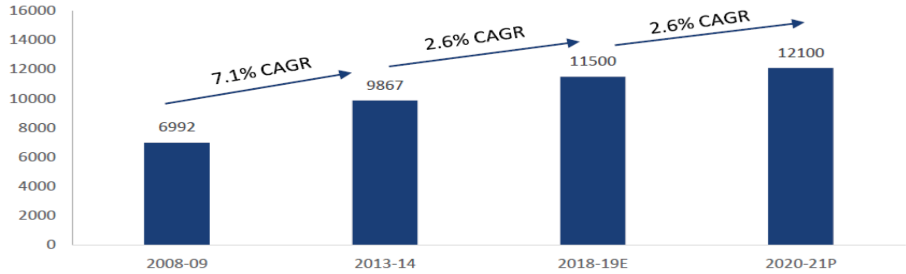
Among the total 1.15 million JEE (Mains) applicants, approximately 50-55% of the students undertake coaching from organised or unorganised coaching institutes. Currently, the penetration of the organised test preparatory coaching institute is ~50-55% and thereby provides substantial growth opportunity for the players. Also, the organised players currently have a major presence only in urban areas due to the higher spending ability of consumers.

Going forward, the increasing awareness among students and parents, intense competition in the entrance examinations coupled with the use of digital education will lead to substantial growth for the players, especially outside the urban areas.

Increase in intake by IITs to aid aspirants as well as test preparatory coaching industry

The total number of seats offered by the IITs stood at a mere ~11,000, as at 2017-18, and this figure is expected to grow to ~11,500 in 2018-19. The low number of seats offered led to a success rate of ~1% among all students appearing for the JEE (Mains). Going forward, based on an analysis of past trends as well as government announcements in this regard, CRISIL Research expects ~2.5% CAGR in IIT seats offered over the next three years, translating to an additional 1,100-1,200 seats. However, the number of applicants for JEE (Mains) is expected to remain significantly higher, in the region of 1.15-1.2 million.

Trend in intake by IITs

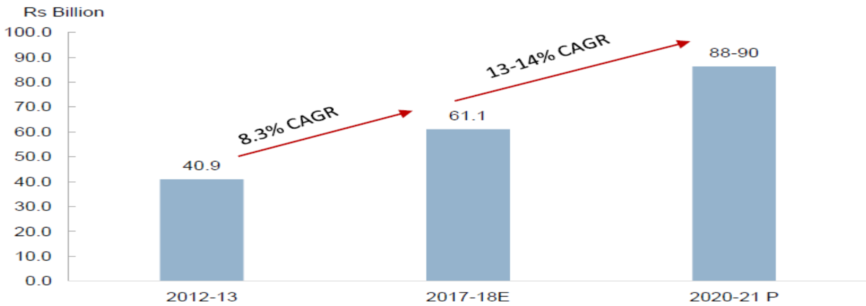


Source: JEE Reports, CRISIL Research

Test preparatory coaching industry to grow at a faster pace over the next three years

CRISIL Research estimates the size of the JEE (Main + Advanced) test preparatory market at ~₹ 61 billion (~USD 950 million) in FY 2018, with the market estimated to have grown at 8.3% CAGR from FY 2013 to 2018. This was significantly higher than the overall engineering test preparatory industry growth of 6.1% CAGR during this period. The increasing penetration of organised players in the country (apart from Tier I cities) has aided the growth of the JEE test preparatory segment, which has also seen a shift from star teacher-based institutions to a brand-based corporatized industry.

JEE (Mains and Advanced) test preparatory coaching industry growth trend



Source: Industry, CRISIL Research

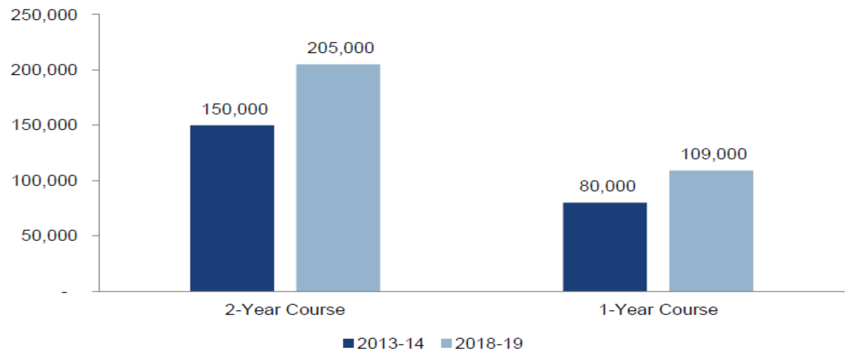
Over the next three years, industry growth is expected to increase further, growing at 13-14% CAGR. The increasing per capita income of domestic households, significant bridge in quality between Tier I colleges and other institutes, the expected rise in intake in the IITs and the increasing penetration of coaching institutes (via ownership or the franchise model) will aid growth during the period. The share of JEE (Mains + Advanced) in the overall engineering test preparatory market has increased from ~57% in 2012-13 to ~64% in 2017-18. Going forward, this share is expected to increase to ~65% by 2020-21.

Any future move by the government towards conducting a single national-level entrance exam for engineering college admissions will further boost growth for the organised JEE coaching players, whose established brands and subject matter expertise will help them leverage any such change.

Average fee charged by national players substantially higher than that charged by regional players

The average fee (effective fees after discounts for six large national and regional players) charged by JEE test preparatory players increased at ~7% CAGR from 2013-14 to 2018-19 and is expected to increase at the same pace going forward. The average fee charged by the national level players is 25-30% higher than that charged by regional and other local players. Strong brand names, proven track records, better infrastructure, and the use of technology to enhance the coaching experience are some of the reasons why national players are able to charge a premium.

Average fee charged for 2018-19



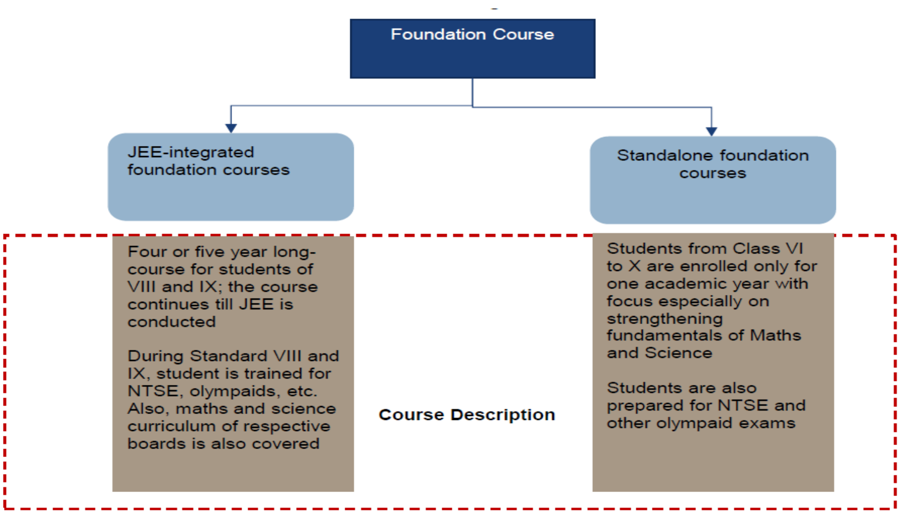
Source: Industry, CRISIL Research

FOUNDATION COURSE COACHING INDUSTRY IN INDIA

Overview of foundation course coaching industry

The intense competition to secure a seat in premier institutes such as the Indian Institute of Technology (IIT) and the All India Institute of Medical Sciences (AIIMS) has led to many candidates preparing for the entrance exams from a very early age. With a view to meet this demand and strengthen the academic foundations of candidates at an early stage, during Class 6 to Class 10, test preparatory coaching classes have started foundation courses. These courses are for students who are willing to take science post grade X and prepare for entrance exams such as the Joint Entrance Examination (JEE) and the National Eligibility Cum Entrance Test (NEET). As part of the foundation course, coaching is provided for competitive school level exams (in addition to NEET and JEE) such as NTSE and Olympiads as well as board examinations. The foundation course also aims to bridge the gap between curricula of different boards.

Business models for foundation course coaching



From the coaching institutes' perspective, they have an opportunity to retain the best students for the two-year JEE (Mains + Advanced) courses. Therefore, test preparatory coaching institutes continuously monitor the performance of students during foundation course coaching and provide substantial discounts to meritorious students for JEE (Mains + Advanced) courses.

Foundation courses are primarily offered by organised test preparatory coaching classes. Unorganised players provide coaching only for NTSE, Olympiads, etc.

- **Foundation course fast gaining traction among urban students**

In accordance with CRISIL Research estimates, the market size of the curriculum-based coaching (which includes preparation for board exams) industry (including grades XI and XII) was ~₹ 1,800 billion (USD

28 billion) in FY 2018. Excluding grades XI and XII coaching, market size was approximately ₹ 820 billion (USD 12.8 billion). The unorganised segment constitutes ~50% of the market share in curriculum-based coaching. The organised segment consists of regional players, who focus only on board exam coaching, and a few national players. Some players do not focus on Olympiads, etc., which leaves ample potential for foundation courses. The foundation course coaching market is still at a very nascent stage. In accordance with CRISIL Research estimates, the market stood at around ₹ 28 billion (USD 435 million) in FY 2018.

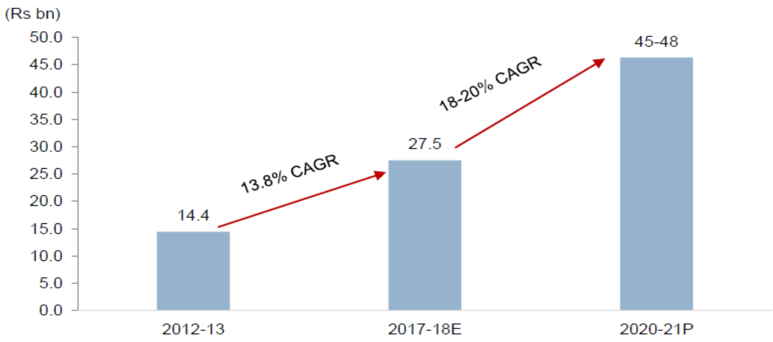
As per CRISIL Research, ~7 million urban students, across grades VIII to X, form the target potential for foundation coaching institutes. Of the total number of students who are likely to pursue science, 60-62% undertake curriculum-based coaching. Only 10-12% join foundation coaching institutes. Therefore, students already undertaking coaching from curriculum-based coaching institutes form immediate market potential for foundation course coaching institutes.

- **Foundation course segment to post robust growth over next three years**

The foundation course segment grew at a robust pace of around 14% CAGR over the last five years. According to CRISIL Research estimates, only 10-12% of students in urban areas enrol for foundation courses; and remaining 88-90% join curriculum-based coaching institutes.

Going forward, growth of the foundation course segment is expected to increase to 18-20% CAGR. Therefore, CRISIL Research expects the share of foundation course coaching centres to rise to 14-15% of the overall curriculum-based coaching segment by FY 2021 from around 12% in FY 2018.

Growth trend for foundation course coaching segment

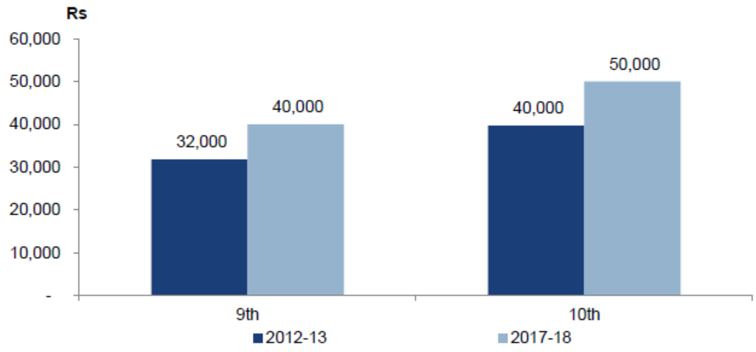


Source: CRISIL Research

Fees for foundation course kept very competitive to attract best students

The annual fees for foundation courses are largely kept in line with that of regional curriculum-based coaching institutes. Foundation courses provide coaching institutes an opportunity to spot talent early among students and retain the best for JEE training by offering performance-based discounts. Therefore, in order to attract maximum number of talented students, fees for foundation courses are kept very affordable compared with other courses.

Average fees for foundation courses



Note: Effective fees post discounts for six large national and regional players

Source: CRISIL Research

Going forward, fees for foundation courses are expected to grow at a modest pace of 5-7%. Therefore, growth for the industry is expected to be largely volume based, which is expected to be ~11-12% CAGR over the next three years.

Key growth drivers

Intense competition for seats in IITs and AIIMS will further drive candidates to start preparation from early age

The low conversion rates in entrance exams such as JEE (Mains and Advanced) and NEET demand very rigorous preparation by candidates. Therefore, many aspirants will look to align their preparation for school and board exams with JEE or NEET preparation. The foundation course provides the best possible platform for such candidates and will therefore drive demand going forward. Further, the increasing penetration of technology as well as the geographic presence of many test preparatory coaching classes will further intensify competition for students.

Increasing awareness about benefits of joining foundation course

Traditionally, students took the decision pertaining to selection of stream following completion of their grade X examination. Therefore, it did not make sense for JEE or NEET coaching classes to offer foundation courses. However, with the increase in awareness among parents and students, decisions are made at an early stage. Students start their preparations early, to help them ace the entrance examinations. Therefore, this will help in the growth of the foundation course segment in the future, as students will opt for courses that will help them achieve short- as well as long-term goals, compared with merely focusing on respective board examinations.

Increase in share of organised segment in school coaching also to aid foundation segment

Local players with a single branch and home tuition have traditionally enjoyed a significant share in the curriculum-based coaching space, primarily on account of low entry barriers. However, the use of technology by branded players to enhance the teaching experience has created a substantial difference in the services provided by unorganised and organised players. Therefore, the superior quality of services will increase the growth of the segment.

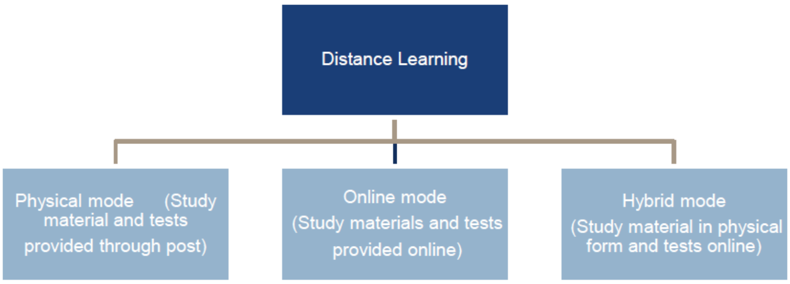
Preparation for all examinations under one roof to provide good proposition for students

The unorganised segment and curriculum-based coaching classes do not provide the entire range of services; they focus on either board exams or competitive exams. Foundation course training provided by organised test preparatory coaching classes covers school board as well as competitive exams. Thus, foundation course coaching helps students prepare for different exams under one roof and thus utilise time more effectively.

DISTANCE LEARNING IS A KEY COMPONENT OF TEST PREPARATORY SEGMENT

Apart from the relatively more popular traditional classroom coaching, distance learning is another model which is prevalent in preparation for competitive exams. Distance learning is a non-classroom mode of learning wherein students engage with course materials at home. Course materials are provided to the student in physical or digital form.

Different modes of distance learning



Source: CRISIL Research

Distance learning has relatively wider reach as compared to classroom coaching as study materials can be provided at any location across India. Distance learning programs are ideal for students who prefer to be self-taught.

Even if a student opts for self-study, it is essential to obtain the correct study materials as well as continual assessment through tests. This is because the syllabus for highly competitive exams is vast and expert guidance and resources are required through these distance learning courses.

- **Some advantages of distance learning**

Some advantages of distance learning are:

- **Relatively lower cost** – Distance learning is a low-cost alternative to classroom coaching as coaching institutes do not have to invest in physical infrastructure as well as faculty. Apart from lower fees, there are no commuting costs as the student studies at home, which saves time and money.

- **Convenience and flexibility –** These courses provide the flexibility of learning at one's own pace and from a preferred location.

Apart from the above factors, distance learning is also preferred by students who are repeat test takers and had opted for classroom coaching during earlier attempts. Such students may enrol on a distance learning program of another reputed brand to obtain the appropriate set of learning tools.

The distance learning segment has a larger presence of national level players who have established themselves in the coaching industry.

Key differentiators in distance learning courses across players

- Brand name and past results
- Extent of network of test-series (number of test takers as well as geographic reach)
- Study materials coverage (board level study material in addition to entrance exam material)
- Availability of doubt clearing sessions

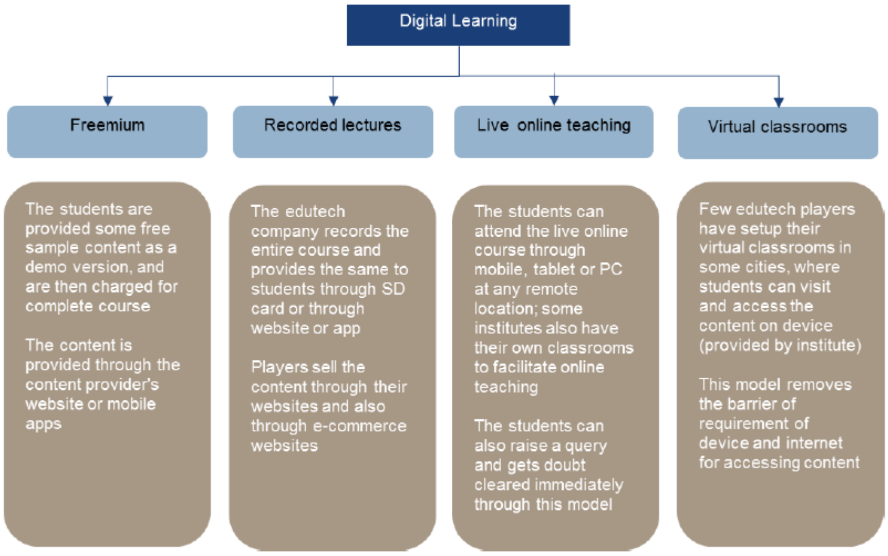
IMPACT OF DIGITAL EDUCATION COACHING ON TEST PREPARATORY INDUSTRY

Digital education segment ushers in a new phase in Indian coaching industry

The digital education industry can be divided into formal and non-formal space. The players in the digital education industry cater to both formal and non-formal education space. The formal space is constituted by private and Government schools which use digital learning methods to enhance learning techniques. Several players in the formal space have also set up e-library platforms for access to e-books covering different curricula and grades. The formal segment constitutes ~50% of market, and the non-formal space constitutes the remainder. Private coaching institutes have started using the digital medium to reach out to more students across the country. As at FY 2018, the market size of digital education in India stood at ~₹ 30 billion (USD 465 million).

The digital learning market in India in still in a nascent stage with most players having entered the market post 2010. The non-formal digital education segment has seen a substantial growth over the last 2-3 years due to widespread availability of wireless data services, more content being made available on the internet, and rising adoption by an increasingly technology savvy student population. Further, the segment provides the opportunity for existing players to increase their geographic footprint without substantial investment in assets.

Business models of players providing digital learning

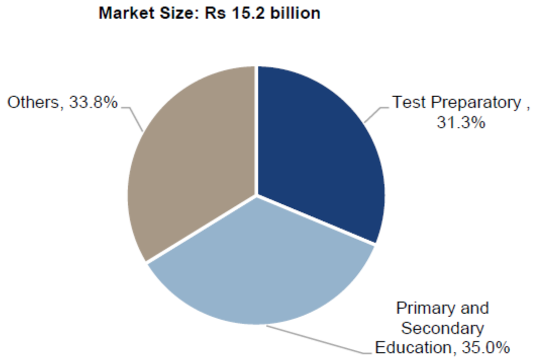


Source: CRISIL Research

Coaching for primary and secondary education constitutes highest market share in digital segment

As per CRISIL Research, the estimated size of the digital learning market in the non-formal space was ₹ 15.2 billion (USD 235 million) in FY 2018. Services are provided to students from grade IV to students preparing for post-graduate entrance exams. A high share of unorganised players in coaching at the school level, coupled with a huge potential subscriber base, have aided growth in the school segment for digital players. Therefore, primary and secondary education segments enjoy the highest market share at ~35%, followed by the test preparatory market at ~31%.

Share of different segments in digital learning in non-formal space (FY18E)



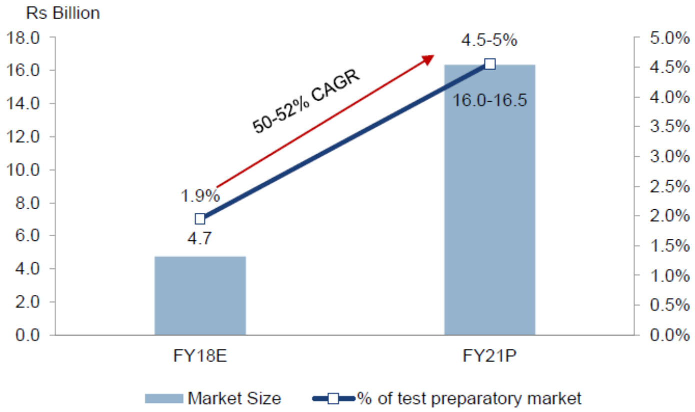
Note: "Others" segment includes coaching for re-skilling and online certifications and language learning

Source: CRISIL Research

Growth to be stronger over next three years as technology enables expansion of geographical footprint

Digital coaching constituted merely 2% of market share of the overall test preparatory space as at FY 2018, according to CRISIL Research estimates. The market has seen stupendous growth in the last 2-3 years, aided by the ubiquitous availability of 4G internet, a drop in mobile data prices, and a number of new players and established test preparatory coaching institutes making forays into the digital segment. Non-availability of good tutors in many Tier II and Tier III cities, coupled with the highly competitive nature of examinations such as JEE and NEET, have further aided growth for the segment.

Growth in digital learning in test preparatory segment



Source: CRISIL Research

During the next three years, the industry is expected to exhibit strong growth of 50-52% CAGR, driven by both standalone digital learning players as well as traditional players. Through the use of the digital medium, even students from non-urban areas will have access to such content at a relatively lower cost to help enhance their performance in these exams. Therefore, players in the segment are likely to garner market share from unorganised players operating in non-urban areas.

Increase in mobile phone penetration and internet connectivity to support growth for non- formal digital education

India has about 1.2 billion mobile users, of which 30% use smartphones. CRISIL Research expects the share of smartphones to increase dramatically in the coming years. The total number of internet users in the country was more than 400 million by the end of 2017-18.

Digital delivery mode to complement classroom coaching

The boom in digital learning will open up new avenues for established test preparatory coaching institutes and help expand their geographic reach within the country. Lack of good faculties for training for competitive exams such as JEE and NEET in Tier II and Tier III cities, provides a major opportunity for the digital learning segment of organised coaching institutes.

Though digital learning will help enter new geographies, it is unlikely to replace the physical classroom delivery model in urban areas. Given the age group of students undertaking coaching for JEE and NEET, personalised attention and constant monitoring of students play a very important role in enhancing performance. Though monitoring of students is also possible in the live online teaching model, the same level of interaction with students may not be possible.

COMPETITIVE ASSESSMENT AND PEER COMPARISON IN HIGHER EDUCATION TEST PREPARATORY COACHING

The test preparatory coaching segment is extremely competitive. According to CRISIL Research, the following factors will differentiate the better test preparatory companies from the rest:

- ***Less dependence on star teachers***: The coaching industry is characterized by high employee expenses accounting for 30-40% of the total operating cost. Some players recruit "star" teachers who charge very high salaries, as they are able to attract students due to their credibility. However, on the other hand, employee attrition will have a significant impact on the operations of such institutes, as replacement of such faculty members would not be an easy task. Therefore, institutes which are not dependent on "star" teachers for their performance and have put in place strong systems and procedures will enjoy more stability in the long run.

- ***Faculty training facility to maintain consistency in quality***: Coaching institutes which hire faculty members based on their knowledge and expertise, and train them through their internal faculty development program will have an edge over other coaching institutes. Further, attrition is likely to have a much lesser impact on such coaching institutes. Conducting development/training programs for new faculty members through a centralised process/centre will also help in maintaining quality across different locations of the institute. Further, faculty training will ensure uniformity in quality even as the institutes scale up.

- ***Using a proper mix of offline and online modules***: The organised test preparatory players have made forays into the digital segment over last few years by designing their in-house recorded lectures and also providing facilities such as live online recording. Going forward, the players who leverage the digital segment to complement the existing offline model will likely be able to achieve greater operating leverage than other players.

  Using the digital model, institutes will be able to reduce the time spent by students in their classroom premises by conducting a portion of the course through an online model. This will help institutes to service more students in the same premises. Further, institutes can also reach out to multiple locations at the same time using a live online tuition model. For example, a faculty can cater to students in the classroom as well as to students in remote locations through a live online mode at the same time, thereby aiding operational efficiency. Also, institutes can use their in-house digital content to enhance the teaching experience during classroom delivery.

  Therefore, institutes which can integrate their digital segment into exiting business segments will stand to benefit substantially and gain an advantage over their peers.

- ***Ability to scale business without compromising on quality***: In a bid to increase aggressively their geographic footprint, many players resort to the asset-light franchise model. Although this model helps gain market share over the short term, it may hamper the brand equity for the company if the institute is not able to ensure a uniformity in the brand experience and the quality of education imparted. Therefore, institutes which have a robust training development program encompassing even the faculty members appointed by franchisees are likely to perform better.

- ***Professional management to complement promoters***: Most players in the industry are currently being operated by first generation entrepreneurs with expertise in the teaching domain. Although many players have taken giant strides under the current leadership, for long-term sustainability, it is critical to have a professional management in place beyond the promoters. With the industry currently going through substantial changes due to the advent of digital education, players will have to reorientate their business accordingly and ensure sufficient expertise on board to bring about the transformation effectively. However, until now, only a few players in the space have transformed from a promoter-run business to a professionally managed company. Going forward, CRISIL Research believes that players which have a well-qualified professional management, in addition to the promoters, will stand to gain ground.

- ***Effective use of MIS/data analytics to monitor and enhance student's performance***: Players which leverage the use of data to understand a student's weakness in internal tests will be able to deliver better performance. Further, the effective use of data will also enable players to monitor the performance of all the students in the institute and accordingly provide individual feedback. Also, by using psychometric tests, players can gauge the analytical capabilities of students.

- ***Ability to sustain business without tie-up with colleges***: Many private test preparatory coaching institutes have tie-ups with local colleges to enable students to attend lectures only in coaching institutes. In such cases, the student attends the college only for lab sessions. In the past, State Governments have raised concerns regarding the practice and, in some cases, have also taken action against such colleges and private coaching institutes. While such tie-ups continue to exist in many cities, any strict action by the State Government/Judiciary in the future against such institutes can have an adverse impact on their operations and may also have a bearing on their brand equity.

- ***Responsiveness to customer need***: Responsiveness to student needs is very important from the institute, as well as the student's career point of view to build trust and brand equity among the target segment. Many students decide to discontinue mid-way through the course, as they are not able to cope or in order to pursue another course. In such cases, it is important for institutes to have effective reimbursement policies that are in the mutual interest of the student and the institute.

Comparison of players in engineering and medical test preparatory industry

Based on geographical presence, players can be classified as national or regional players. Players with fewer than 25 centres, more than two-thirds branch concentration in one reach and an absence of centres in any zone (East, West, North and South), are classified as regional players.

Aakash Educational Services is the largest as well as the fastest-growing player in the industry

Aakash Educational Services is the largest player in the industry. Further, it is also quite well diversified geographically, with a presence in all regions in the country. FIITJEE and Resonance Eduventures rank second and third, respectively, on a revenue basis. In relation to revenue growth, Aakash Educational Services was also the fastest-growing company during FY 2014 to 2017, followed by FIITJEE.

Although MT Educare has the highest number of centres in the country, revenue for Aakash Educational Services (second highest in terms of number of centres) was ~2.5 times that of MT Educare as at FY 2017. This suggests that revenue per centre for Aakash Educational Services is significantly higher as compared to MT Educare.

Among the national test preparatory coaching institutes, Aakash Educational Services is one of the largest players in the medical test preparatory space with ~54,000 selections in NEET in 2017. Further, among the players in the industry, Aakash Educational Services has the highest number of faculty members.

Minimal working capital requirement due to upfront payment for services

The players collect fees from students at the beginning of the academic year before tendering the service leading to a favorable working capital cycle. Further, even in the case of instalment-based payments, fee collection is carried out on a periodic basis before service for the next period is provided to the students.

Aakash Educational Services has been able to scale up its business and also maintain healthy operational performance

Many players in the segment are scaling up their operations geographically and are also trying to advance their product offerings, especially through the digital model. Although many players have been successful in doing the same, it has come at the cost of operational performance. For example, despite ~10% CAGR growth for MT Educare during FY 2014 to 2017, its EBITDA dropped by ~3% CAGR during the period. Further, even for FIITJEE and Resonance Eduventures, EBITDA growth was in low single digits despite ~22% and ~15% CAGR growth, respectively, in revenue. However, Aakash Educational Services was able to maintain its profitability at operational level while also substantially scaling up its operations during FY 2014 to 2017. Among the top five players in the test preparatory space, only two players – Aakash Educational Services and Resonance Eduventures – are audited by the Big 4 auditors.

Key Operating Parameters for Industry Players

	Aakash	Allen	FIITJEE	IITian's PACE	MT Educare	Resonance	Vidyamandir	Vidyalankar
Player presence (national / regional)	National	National	National	Regional	Regional	National	Regional	Regional
Courses offered	Medical Engineering Foundation	Medical Engineering Foundation	Medical Engineering Foundation	Medical Engineering Foundation	Medical Engineering Foundation	Medical Engineering Foundation	Medical Engineering Foundation	Medical Engineering Foundation
Presence in digital segment	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Centers	170	86	71	43	254	64	85	25
Cities	103	15	41	20	136	27	73	7
States and Union Territories	23	8	18	6	10	11	19	1
Region-wise split (%)	East: 16% West: 15% North:46% South:22%	East: 1% West: 52% North:31% South:15%	East: 14% West:24% North: 39% South: 23%	East: 12% West:67% North: 19% South: 0%	East: 21% West: 69% North: 10% South: 1%	East: 9% West: 55% North: 36% South: 0%	East: 15% West: 9% North:74% South: 1%	East: 0% West: 100% North: 0% South: 0%
Number of students	190,000	149,000	NA	50,000	159,162	99,000	NA	50,000
Franchise model employed	Yes	No	No	Yes	Yes	No	Yes	Yes
FY17 Summary Financials								
Operating Income (₹ mn)	7,224	NA	5,285	1,215	3,011	3,184	NA	NA
Operating Income growth (%) (3-year CAGR)	30.1%	NA	21.8%	10.8%	9.6%	15.1%	NA	NA
Operating Profit growth (%) (3-year CAGR)	31.6%	NA	6.1%	54.6%	-3.2%	5.3%	NA	NA
Operating Margin (%)	20.5%	NA	5.8%	8.9%	16.3%	24.5%	NA	NA
Net Profit growth (%) (3-year CAGR)	18.8%	NA	-170.5%	-3.7%	-21.3%	0.1%	NA	NA
Net margin (%)	8.8%	NA	3.2%	0.9%	5.7%	15.7%	NA	NA
ROCE (%)	714%	NA	12.1%	22.5%	21.3%	36.6%	NA	NA
Debtor Days	10	NA	6	0	147	2	NA	NA

Note: NA – not available. All data points and information are on best available basis from Company websites or brochures as on 10th April 2018. Number of centers and geographical share are for indicative purposes and may vary marginally.

Source: Company Websites, CRISIL Research

OUR BUSINESS

The following description of our business should be read together with our Restated Financial Information.

*References herein to "we", "our" and "us" are to Aakash Educational Services Limited. Unless otherwise stated, references to "**Student Count**" are to the number of students who have enrolled for a course and paid at least one instalment of the tuition fee component for that course in addition to the admission fee and registration fee in that fiscal year or earlier fiscal year and includes carry forward students (i.e. students who were enrolled in the previous year(s) and remained enrolled in the current fiscal year) and students who paid but subsequently dropped out. The discussion below may contain forward-looking statements and reflects our current views with respect to future events and financial performance, which are subject to numerous risks and uncertainties. Actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read "Risk Factors" and "Forward Looking Statements" beginning on pages 15 and 13 of this Draft Red Herring Prospectus, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Please see the section "Forward-Looking Statements" on page 13. To obtain a complete understanding, prospective investors should read this section in conjunction with the sections "Industry Overview", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 92, 15 and 276, respectively, as well as the other financial information contained in this Draft Red Herring Prospectus.

Industry and market data used in this section have been extracted from the CRISIL Report. For further details and risks in relation to the CRISIL Report, see "Risk Factors – 29. This Draft Red Herring Prospectus contains information from industry sources including a report commissioned from CRISIL. Prospective investors are advised not to place undue reliance on such information" beginning on page 33 and "Certain Conventions, Presentation of Financial, Industry and Market Data" beginning on page 10.

Overview

We are the largest player in the coaching industry in India as measured by revenue in FY2017, according to CRISIL. We provide comprehensive test preparatory services for students preparing for medical and engineering entrance examinations for Class 11 and Class 12 students, and foundation courses (covering school boards and junior competitive examinations) for students across Class 8 to Class 10. We provide our services through classroom-based coaching and digital and distance learning, which supplement our classroom courses and allow students to engage in self-paced learning. We also offer short-term classroom courses to prepare students for upcoming examinations.

The first center under our "Aakash" brand was started in 1988, offering test preparatory services for medical entrance examinations. As of March 31, 2018, we have 170 classroom centers (the "**Aakash Centers**") across 103 cities and 23 states / union territories, of which we operate 67 through Franchisee arrangements. As of March 31, 2018, we have a Student Count of 193,313 in our long-term classroom courses (comprising two-year courses, one-year courses and repeater courses) ("**Long-Term Courses**") (including at Franchisee Centers), and a Student Count of 16,250 in our digital and distance learning courses. Our Student Count (excluding those in short-term or ad-hoc courses) grew at a compound annual growth rate ("**CAGR**") of 16.78% from FY2016 to FY2018. As of March 31, 2018, we employ 1,969 faculty members at our Owned Centers.

We deliver and support our education channels through digital features, including recorded video lectures and integrated test and assessment via Aakash iTutor which includes online assessment and test series via the Aakash Test Management System, and live interactive classes via Aakash Live. These programs expand our geographical reach beyond classrooms by allowing students to learn remotely and yet in an interactive manner. We also use digital features to enhance our classroom students' learning experience, for example through the ability to view video lectures for the lessons they missed and, in foundation classes, through the use of audio-visual technology, such as interactive whiteboards. As of March 31, 2018, we have a Student Count of 7,701 in Aakash Live and Aakash iTutor, and from FY2016 to FY2018, our Student Count in these courses grew at a CAGR of 54.94%.

We categorize our programs into three brands:

(i) ***Aakash Medical***: Started in 1988, we now offer test preparatory courses for students in Class 11 and Class 12, and repeater courses for students who have passed Class 12, undertaking entrance examinations for medical undergraduate degree courses, including the National Eligibility Cum Entrance Test (NEET) and AIIMS MBBS entrance examination. According to CRISIL, we are one of the largest players in the medical test preparatory space. We had a Student Count of 84,834, 93,080 and 117,457 students in our long-term classroom medical courses (including at Franchisee Centers) for FY2016, FY2017 and FY2018, respectively. Among the top 100 selections in 2018 NEET, we produced 53 selections from students in our classroom courses, distance and digital learning courses;

(ii) ***Aakash IIT-JEE***: Started in 2007, we now offer test preparatory courses for students in Class 11 and Class 12, and repeater courses for students who have passed Class 12, preparing for state engineering Common Entrance Tests (CETs) and for Joint Entrance Examinations (JEE) conducted at the state and central levels, including the JEE Main and Advanced. We had a Student Count of 31,479, 27,794 and 32,798 students in our long-term engineering courses (including at Franchisee Centers) for FY2016, FY2017 and FY2018, respectively. Among the top 1,000 selections in JEE Advanced in FY2018, we produced 37 selections from students in our classroom courses, distance and digital learning courses;

(iii) ***Aakash Foundations***: Started in 2009, we now offer test preparatory courses to students in Class 9 to Class 10 for subjects, being Science, Mathematics, English and Social Sciences. For Class 8 students, we only offer test preparatory courses via Aakash Live. In addition, we provide training to these students for central and state board examinations, and for junior competitive scholarship tests and merit tests, such as the Olympiads and National Talent Search Examination ("**NTSE**"). We had a Student Count of 25,899, 33,718 and 43,058 students in our foundation courses (including at Franchisee Centers) for FY2016, FY2017 and FY2018, respectively.

We believe in discovering and nurturing talent. Towards this end, we follow a 5-step admission process, consisting of (i) collecting data on prospective students through school seminars, residential area activities and advertisements, (ii) scholarship examinations, (iii) contacting prospective students and in-branch seminars, (iv) branch visits by prospective student and counselling and, (v) enrolment. We offer a number of scholarship tests, including the Admission Cum Scholarship Test ("**ACST**"), the Aakash National Talent Hunt Examination ("**ANTHE**") and, launched most recently, the Aakash Talent Quest ("**ATQ**"). We provide scholarships for qualifying students from these tests to enrol in our programs. These tests allow students to assess their performance based on their ranking on the merit list, and many students that take these tests subsequently enrol in our courses.

We have a National Academic Team, comprising around 73 faculty members, which monitors our academic services and student performance. This team is responsible for content generation, faculty selection and appraisal and faculty training, and ensuring standardized coaching methods and content across Aakash Centers. Our Chief Executive Officer & Whole-time Director, Mr. Aakash Chaudhry, heads our National Academic Team, and our three National Academic Directors oversee our medical, engineering and foundation faculties, respectively.

We started our first Franchisee Center in 1997 and had 67 Franchisee Centers as of March 31, 2018. Through our Franchisee model, which allows asset-light expansion, we have grown quickly across new regions such as East India. We receive 25% to 36% of the fees, net of any concessions and refunds ("**Net Fees**"), collected from the students by our Franchisees, depending on the type of courses, stream and location of the Franchisee Centers.

Our revenue from operations for FY2016, 2017 and 2018 was ₹ 5,824.28 million, ₹ 7,224.28 million and ₹ 9,733.32 million, respectively. Our profit for the year as restated for FY2016, FY2017 and FY2018 were ₹ 758.74 million, ₹ 635.53 million and ₹ 1,601.84 million, respectively. Our profit margin (defined as profit for the year divided by revenue from operations) for FY2016, FY2017 and FY2018 was 13.03%, 8.80% and 16.46%, respectively. From FY2016 to FY2018, our revenue from operations and our profit for the year grew at a CAGR of 29.27% and 45.30%, respectively.

Competitive Strengths

The following are our core competitive strengths:

Market leading position with strong brand recognition and presence across India

We believe our "Aakash" brand is associated with quality coaching and a proven student selection track record in medical and engineering undergraduate degree entrance examinations.

According to CRISIL, we are the largest educational test preparatory service provider in India based on revenue as of FY2017. We have been able to deepen our brand recognition and improve our brand recall through a variety of means such as our strong student performance, pan-India network of classrooms, quality faculty, comprehensive study material, modern infrastructure, integrated systems and processes, and targeted marketing. We are able to attract high student enrolment due to our strong marketing presence, coupled with close follow-up with prospective students. Our brand recognition has been instrumental in increasing our Student Count through a high referral rate and low student acquisition cost, high student retention rate and ability to attract quality faculty members. Our positive brand perception is evident from our high Student Count and the fact that many students continue from our foundation courses to our medical or engineering courses.

The entrance examination selection results attained by our students strengthen our brand perception. In FY2018, 305 and 37 of our students secured ranks in the top 1,000 successful candidates in the NEET and JEE Advanced, respectively (295 and 76 in FY2017, and 437 and 31 in FY2016, respectively). For details on our track record of selections, please refer to " – *Standardized content and coaching methods and qualified faculty deliver strong selection track record*" on page 133. Our quality service to existing students helps in retaining repeater candidates and generating word-of-mouth publicity.

The presence of Aakash Centers across India also contributes to our brand awareness and increases accessibility to students at various locations. Our knowledge of the national market as well as regional markets assists us in developing coaching methodologies to address changing student requirements. We are less affected by changes in regional markets, such as changes in examination formats, as compared to regional or local players operating in affected regions. Our Owned Centers and Franchisee Centers have grown from 78 and 52 in FY2016 to 103 and 67 in FY2018, respectively. As of March 31, 2018, we have presence across India with 170 Aakash Centers across 103 cities and 23 states / union territories. Out of these, there were 79 Aakash Centers in North India, 37 in South India, 28 in East India, and 26 in West India. Our student base is well distributed with a Student Count of 193,313 enrolled in Long-Term Courses as of March 31, 2018 across India.

Diversified course offerings and delivery channels

We provide a wide range of test preparatory services diversified across students (Class 8 to Class 12, and repeater courses after Class 12), subject matter (Aakash Foundations, Aakash Medical, Aakash IIT-JEE) and delivery channel (classroom courses, digital learning and distance learning). We also offer short-term crash courses in addition to our Long-Term Courses. Our varied range of services enables us to be involved through the academic phase of our students from Class 8 to Class 12, which, together with our extensive presence across India, gives us a competitive edge over players who are more subject-specific and localized. Moreover, range of subject matter provides us with diversified revenue streams, with our medical, engineering and foundation Long-Term Courses from Owned Centers and Franchisee Centers accounting for 63.20%, 17.32% and 8.90%, respectively, of our revenue from operations for FY2018.

According to CRISIL, as of FY2018, the overall size of India's test preparatory market was about ₹ 470 billion, with the undergraduate test preparatory market constituting the highest market share of 55%, of which medical, engineering and foundation coaching constituted 46%, 38% and 11%, respectively. CRISIL expects the undergraduate test preparatory market to grow at 16-17% CAGR in the next three years, to over ₹ 390 billion by 2020-2021. CRISIL believes that the growing demand for test preparatory services, together with the increasing standardization and competition in medical and engineering entrance examinations, offers a substantial market for our services and provides an opportunity to leverage our subject matter and geographical reach. Moreover, CRISIL expects growth in the coaching market for junior competitive examinations, which we expect will benefit our foundation courses and act as a growth funnel to our engineering and medical courses as students from the foundation courses continue to enrol in our engineering or medical courses.

We leverage on the growing market and large market share of medical, engineering and foundation courses by delivering our test preparatory services through three channels: classroom-based coaching, distance learning and digital learning.

- *Classroom-based coaching*. Physical class attendance facilitates a disciplined and focused learning environment, and enables us to assess student engagement in real-time and to provide personalized coaching services to students. Such an environment is important for our students to develop the skills and conceptual knowledge to perform in competitive examinations, which have limited seats and are highly competitive. As of March 31, 2018, we had a Student Count of 193,313 in Long-term Courses (including at Franchisee Centers), with the Student Count growing by 16.59% CAGR from FY2016 to FY2018 (including at Franchisee Centers).

- *Digital learning*. Our digital courses supplement our classroom courses and allow students to engage in self-paced learning, expanding our geographical reach beyond classrooms by allowing students to learn remotely and yet in an interactive manner. As of March 31, 2018, we have a Student Count of 7,701 in our digital courses (i.e. Aakash Live and Aakash iTutor), with the Student Count in our digital courses growing by 54.94% from FY2016 to FY2018. Our digital programs, together with our distance learning programs, resulted in 7,335 selections in NEET and 104 in AIIMS MBBS entrance examinations in FY2018, and 97 students from our digital and distance learning programs made selections for the JEE Advanced in FY2018.

- *Distance learning*: Our distance learning program delivers the same content as delivered at Aakash Centers and through our digital courses, but at a more economical price. As of March 31, 2018, we had a Student Count of 8,549 in our distance learning program.

These delivery channels give us multiple points of contact with our students while giving them flexibility in accessing our course materials. We view this as a key differentiator from our competitors.

Strong digital learning offerings leveraging on technology to expand our target audience and enhance quality of offerings

We leverage on the growing technology landscape and increasing access to the internet to provide digital learning offerings that enhance student learning experience and allow students to engage in self-paced learning. Our digital learning offerings allow us to expand our Student Count without being limited to the geographical restrictions in which our Aakash Centers are located as such offerings may also be used as an independent learning tool. Delivery of our course content through the internet also offers greater flexibility and convenience to our students, who can access our content anywhere and at any time of the day. Our digital learning offerings like Aakash iTutor complements our classroom courses by providing our students with an alternative channel to do self-paced revisions by accessing recorded video lectures with integrated test taking and self-assessment.

On July 7, 2018, the Ministry of Human Resource Development of the Government of India announced that the NEET and JEE Main examinations will be conducted in a computer-based format beginning in 2019. Our current existing digital infrastructure provides us with a strategic advantage as compared to other, smaller players, some of whom do not have the platform to provide computer-based services. For example, we already have in place an online testing platform, which we are modifying to make available to a wider base of students to cater to the new online testing format of the NEET and JEE Main examinations. In addition, we propose to enter into an arrangement with a partner to provide tablets to our students, so that they will be able to access and practice the online tests at our Aakash Centers as well as from home. Our classroom offerings and digital learning offerings complement each other by providing our students access to both online and offline resources. The synergy between our classroom offerings and our digital learning offerings enhances our service quality and contributes to our operational productivity. For example, students who miss a lecture can view the lecture from Aakash iTutor’s recorded video lectures. We are able to tap on our experienced faculty to develop new e-books, question banks and video content for our digital courses. The wide classroom student base provides a potential market for content offered on our digital platforms while minimizing marketing costs. Our faculty members can also utilize our digital learning platforms to create content and learning notes, thereby driving productivity.

Standardized content and coaching methods and qualified faculty deliver strong selection track record

We have a centralized in-house process for curriculum and content development and faculty training and monitoring, led by our National Academic Team. This centralized process helps us maintain consistent coaching standards and delivery across our learning channels. Our systematic academic delivery model aims to enhance our students' conceptual knowledge base and improve their accuracy and speed through assessment and testing. We have a competitive environment with personalized attention to analyze student's performance. We also focus on the holistic development of our students, through features such as (i) a dedicated counsellor team for each Aakash Center, which is responsible for student care and service, (ii) motivation sessions led by our Chairman cum Managing Director and other management members and senior faculty and (iii) regular parent and student meetings, which aim to help our students handle examination pressures and give students and parents an opportunity to discuss their concerns relating to time and stress management.

Our curriculum and content contain illustrative theory and application-based questions. Based on our students' performance, and feedback from faculty members and students, we annually review, refine and update our curriculum content through the centralized process, improving the quality of our curriculum and content.

We have 1,969 faculty members teaching at our Owned Centers as of March 31, 2018. Our large pool of faculty members enables us to allocate multiple faculty members for each subject and course, which helps prevents dependence on particular faculty members and ensures minimal disruptions in our operations due to absence of any faculty members. With our large pool of faculty, we are also able to maintain a student-faculty ratio that helps ensure adequate supervision by our faculty members and effective response to each student's need on an individual basis.

We have systematic recruitment and training programs for our faculty members, which facilitate scalable growth while maintaining quality across our Aakash Centers. We hire graduates from universities and higher education institutes and experienced teachers from public schools. Our recruitment process includes subject tests, lecture demonstration, personal interviews and final management review. We train all newly employed faculty members (including for those in Franchisee Centers if requested by our Franchisees) in coaching methodologies and skills, classroom delivery and evaluation methods as well as soft skills in communications, student psychology, student mentoring, classroom management and personal development.

We have a work environment, which provides faculty members with a sense of satisfaction, regular orientation and motivational trainings, a culture of self-improvement and encouragement to try innovative coaching methods. We provide our faculty members with the opportunity to grow within the organization by taking up academic management roles, based on their teaching experience, management and leadership skills. We believe that increased remuneration and broadening of the scope of responsibility provide greater job satisfaction, improving faculty retention and allowing us to attract better quality faculty members.

We monitor faculty performance through a variety of means, including (i) student results in internal tests and competitive examinations, (ii) student reach-out program and (iii) classroom feedback through student feedback forms covering quality of coaching, study materials, facilities and faculty members' knowledge and skills.

Scalable and efficient business model for a growing industry

With 30 years of operational experience in the test preparatory industry, we have built a scalable and asset-light business model that we can expand and replicate while maintaining quality in content and coaching. We have a centralized management process, including central curriculum and content development, training and monitoring of faculty, and advertising and technology development Our centralized processes provides us with economies of scale, leads to strong and systematic controls of our operations, and provides uniformity across our operations that helps make our business scalable while maintaining quality. In addition, because our students pay for our courses through up-front deposits and ongoing scheduled instalments, we are able to fund expansion without relying on debt.

Our Franchisee model supports our geographical expansion. We follow a robust process for selecting Franchisees, and typically select a partner who is familiar with the culture of a state or region in which we wish to open a Franchisee Center so that we can adapt and market our courses more effectively to the local market.

The Franchisee model is value accretive to us and the Franchisees, and our long-term relationships with many of our Franchisees demonstrates the stability of this business model. The Franchisee model increases our visibility and reach at minimal investment and the Franchisee benefits from our brand, faculty recruitment (where required), academic and pedagogy support, and technology support. This allows us to roll out our Franchisee Centers quickly and efficiently. Our Franchisees contribute to our student performance in competitive examinations and provide insight into regional markets that may otherwise be difficult to break into.

We have a team that focuses on expansion and new center rollouts. We select sites to open new centers based on factors such as proximity to schools, city centers and public transport stations, our existing network, the presence of existing competitors and the prominence and acceptance of NEET and JEE in the region. Post site selection, we typically deploy our coaching and administrative resources to open the center, train and recruit new faculty members and commence marketing and advertising for ANTHE and ACST.

Strong, experienced, diverse and professional management team

Our senior management has experience in the education sector and business management.

Mr. J.C. Chaudhry, our Chairman cum Managing Director, has considerable experience in the education sector and has been a Director of our Company since October 15, 2007. He provides vision, leadership and strategic guidance to and is responsible for overall supervision, direction and management of our Company.

Our Chief Executive Officer & Whole-time Director, Mr. Aakash Chaudhry, has considerable experience in business management and has been a Director of our Company since October 15, 2007. He leads the senior management team and is responsible for the overall supervision, direction and management of our Company.

Mr. Hemant Sultania is our Chief Financial Officer and has considerable experience in the field of finance.

We leverage the understanding and the experience of our senior management in managing our operations and services, which has facilitated the growth of our business.

Strategies

Our aim is to strengthen our position as an organized and diversified pan-India test preparatory service provider and strengthen our brand recognition by pursuing the following growth strategies:

Expand network of centers and increase Student Count through marketing

We plan to leverage our brand recognition, our experience and our scalable business model, to service the increasing demand for our test preparatory services. In addition to growing our Student Count at our existing Aakash Centers and cross-selling other product offerings, we plan to further grow our Student Count by increasing the number of our Aakash Centers in cities with existing Aakash Centers as well as in new cities and launching courses currently unavailable in such cities. We plan to continue to grow in North India, particularly in Delhi NCR, expand our reach into West India and grow in South India with the adoption of NEET by the medical institutes in the southern states. We also plan to grow our Student Count by expanding our geographic footprint into new cities with high, unmet demand for test preparatory services, such as in South India and West India. According to CRISIL, the southern states of India account for approximately 46% and 55% of student intake in medical colleges in 2018 and engineering colleges, respectively, in the academic year 2016-2017. CRISIL also observed that southern states, with the exception of Kerala, have sought an increase in the number of undergraduate seats as well as in the approved number of new medical colleges in the last three years in both public and private sectors. The number of Aakash Centers in South India grew at a CAGR of 39.55% from FY2016 to FY2018. In FY2019, we intend to open approximately 15 new centers across India. Student response to ANTHE and ACST conducted each year provides statistics to us on where we may consider opening a center. We also intend to continue to target increased sign-ups for the ANTHE and ACST and target participants to enrol for our digital and/or classroom offerings.

We intend to increase our Student Count through greater marketing efforts and introduction of more crash courses. To respond to the recent changes in NEET and JEE Main examinations announced by the Ministry of Human Resource Development of the Government of India on July 7, 2018, which will be held twice in a year from 2019 onwards and conducted in a computer-based format, we may introduce additional short term courses to cater to the change so that we can prepare existing and new students in accordance with the new examination dates. We plan to increase our participation in and visibility at schools to enhance our direct communications with students in Class 8 to Class 12. We also intend to increase the frequency and breadth of marketing activities at our Aakash Centers to attract students to physically experience our learning environment and services. To achieve better results, we also intend to provide regular training and development to our sales team to provide detailed knowledge of our programs and content and seasonal details for correct counselling, as well as knowledge of technical examination and industry terminology to handle queries from students and parents. Further, we are piloting a project to offer our courses and materials in Gujarati in addition to English and Hindi to assist our students in understanding our course materials.

Where suitable opportunities arise, we may acquire or partner with companies or entities that we consider will enhance our business, revenues and profitability. We may execute strategic acquisitions within or outside our segment to expand our test preparatory services. We may enter into joint ventures with local partners or explore opportunities to acquire other companies or entities that provide test preparatory services in courses or jurisdictions which we do not cater to presently. This will enable us to further diversify our services and expand our business.

Increase Student Count in engineering courses

According to CRISIL, among the total JEE Main applicants, about 50-55% undertake coaching from coaching institutes, out of which about 50-55% undertake coaching from organized test preparatory coaching institutes, thereby providing substantial growth opportunity in this space. Given the high competition for entry into IITs, CRISIL expects that the percentage of students preparing for JEE (Mains and Advanced) is likely to increase. As compared with Aakash Medical, we established Aakash IIT-JEE more recently in 2007. We intend to focus on growing our engineering Student Count by channelling more dedicated resources towards developing our Aakash IIT-JEE courses, expanding on our current course offerings to offer newer and shorter engineering courses, leveraging on our content and training techniques, as well as the strong performance of our students in JEE (Mains and Advanced).

Enhance our digital learning offerings and digital brand

CRISIL expects the market for digital education in India to grow rapidly with improvement in network infrastructure and penetration, along with decreasing internet costs. Our digital learning offerings, including Aakash iTutor and Aakash Live, are well positioned to benefit from this expected growth. In addition to our existing digital learning offerings, we intend to develop new digital learning offerings by leveraging our brand and existing coaching infrastructure to attract qualified faculty members and digital talent.

To consolidate our position and to address the growing digital education market, we intend to strengthen our digital branding by complementing our classroom courses with our digital courses, consolidating our digital learning offerings under one brand and developing new digital learning platforms. We intend to leverage our wide classroom student base to promote our digital brand by improving and expanding the digital services and offerings available to them. We intend to use technology and analytics to enhance our digital learning offerings to provide tools for faculty members to respond to student requests and questions, and to monitor the academic performance of students, thereby enhancing student engagement and performance with interactive and enhanced learning experience. We are in the process of implementing several new digital learning offerings, including Aakash iCampus, Ask-an-Expert Platform, Connected Classrooms, and Aakash Test Management Systems. For more details, please refer to " – *Course delivery process for Classroom Courses – Aakash Digital Learning Offerings*" on page 144.

Through the enhancement of our digital brand and digital learning offerings, we also aim to increase our Student Count in our digital courses, including through leveraging on Aakash Live to deliver virtual interactive classrooms and expand our reach in existing and new markets at low cost. We also intend to expand our digital content library by converting our classroom materials to e-content, thereby expanding our digital educational material offerings. We also plan to list our digital programs on online retail platforms and use other digital media such as blogs to extend our content-based digital communication. We also intend to enter into partnerships with schools, institutions and other business-to-consumer channels to deliver our digital products.

Improve our back-end information technology infrastructure

We intend to enhance our information technology infrastructure through the acquisition of digital talent in marketing, product development and analysis. We have an arrangement with a global IT company to strengthen our information technology infrastructure. Through this, we intend to create a digital platform and migrate all of our digital services and products to one integrated platform thereby achieving scalability of backend platform. Improved technology capability will enhance our operational and sales productivity through automation in various aspects including telesales, customer operations, and payment. We will also benefit from centralization of management of information, data and security and improved business intelligence through enhanced data analytics for our student data and data warehouse. Improved data analytics will enable us to provide personalized coaching services and learning experience to our students.

Our Network

We have 170 Aakash Centers (including Franchisee Centers) in 103 cities and 23 states / union territories as of March 31, 2018.

The following table sets forth the details of our Aakash Centers as of the dates indicated below:

	Centers *(as at March 31)*		
Type of Operations	**2018**	**2017**	**2016**
Owned Centers	103	95	78
Franchisee Centers	67	65	52
Total	**170**	**160**	**130**

Note:

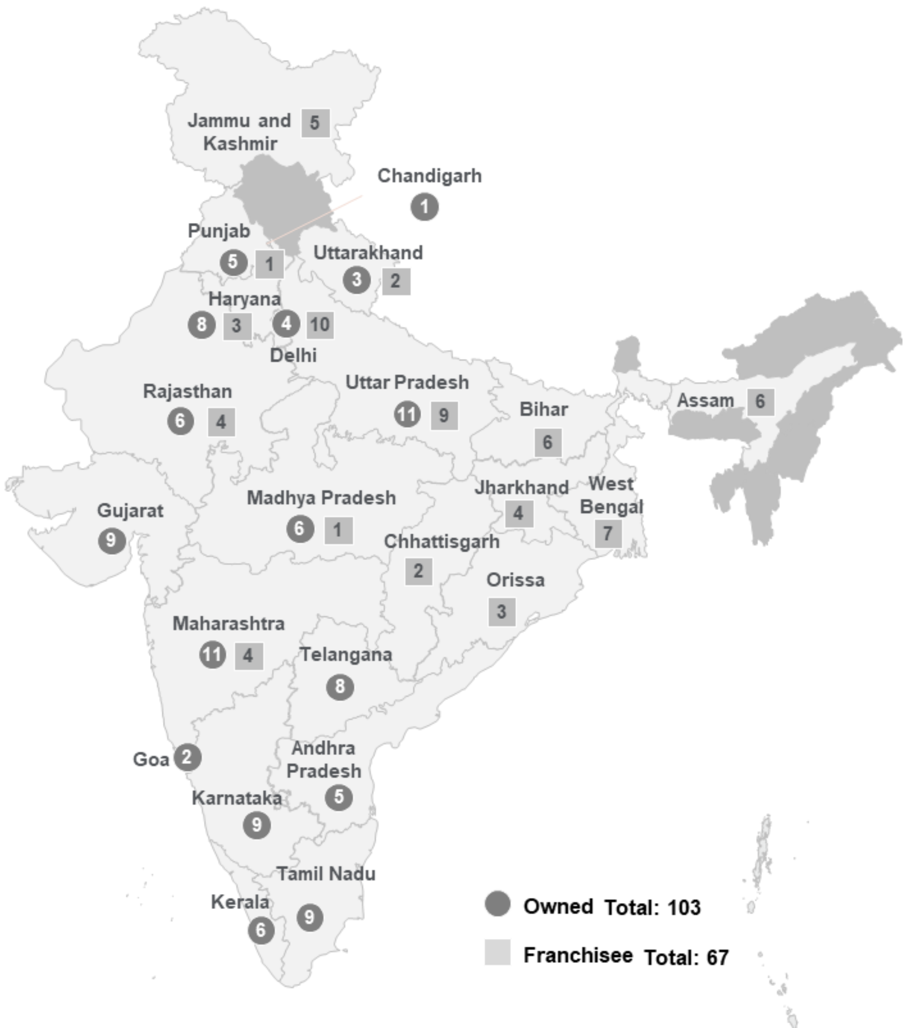
(1) Since March 31, 2018, we have opened two Franchisee Centers and closed down two Franchisee Centers, resulting in a total number of 67 Franchisee Centers.

The following table sets forth the breakdown of our Aakash Centers by region as of March 31, 2018:

Region	**Owned Centers**	**Franchisee Centers**	**Total**
North India	44	35	79
South India	37	-	37
East India	-	28	28
West India	22	4	26
Total	**103**	**67**	**170**

Aakash Centers

The following map indicates our geographic concentration as of March 31, 2018:



Our products and services

We provide test preparatory services to students studying in Class 8 to Class 12. We provide the following Long-Term Courses:

(1) Aakash Medical

Our medical courses are aimed at students in Class 11 and Class 12, and repeater course for students who have graduated from Class 12.

For Class 11 students, we offer a two-year integrated course for NEET and AIIMS MBBS entrance examinations, which prepares our students for the board examinations as well as the medical entrance examinations. The course provides study materials and coaching relating to physics, chemistry, botany and zoology. Students may apply for direct admission based on their grades in the board examinations or through ANTHE/ACST.

For Class 12 students, we offer a one-year Class 12 cum medical course for NEET and AIIMS MBBS entrance examinations, which prepares our students for both the Class 12 board examinations as well as the medical entrance examinations. The course provides study materials and coaching relating to physics, chemistry, botany and zoology.

For students who have passed Class 12, we also offer the (a) regular courses for students aspiring to pass the NEET and AIIMS; and (2) repeater program for students who have been regularly taking test preparatory classes and aspiring to score a good rank in the NEET and AIIMS MBBS entrance examination.

We also assist our students to prepare for the Kishore Vaigyanik Protsahan Yojna ("**KVPY**") and National Standard Examination in Astronomy / Biology / Chemistry / Physics co-ordinated by Homi Bhabha Centre for Science Education ("**HBCSE**") and we provide supplemental materials for our students in preparation for these examinations.

(2) Aakash IIT-JEE

Our engineering courses are aimed at students in Class 11 and Class 12, and repeater course for students who graduated from Class 12.

For Class 11 students, we offer a two-year integrated course for JEE (Mains and Advanced), which prepares our students for the board examinations as well as the engineering entrance examinations. The course provides study materials and coaching relating to physics, chemistry and mathematics. Students may apply for direct admission based on their grades in the board examinations or through our ANTHE/ACST.

For Class 12 students, we offer a one-year integrated course for JEE (Mains and Advanced), which prepares our students for both the Class 12 board examinations as well as the engineering entrance examinations. The course provides study materials and coaching relating to physics, chemistry and mathematics. We also assist our students to prepare for the KVPY and HBCSE Olympiads and we provide supplemental materials for our students in preparation for these examinations.

For students who have passed Class 12, we also offer the repeater courses which includes:

a) regular courses for students aspiring to pass the JEE (Mains and Advanced) examinations; and

b) Power Step Course which is designed for students who wish to achieve a better grade in JEE (Mains and Advanced), and focuses on the examination techniques required for the entrance examinations. Study materials and coaching relating to physics, chemistry and mathematics are provided.

(3) Aakash Foundations

Our foundation courses are aimed at students in Class 8, Class 9 and Class 10, which prepares students by laying ground work for medical, engineering and other competitive examinations such as KVPY and National Standard Examinations ("**NSEs**") in advance. We also prepare supplemental materials for our students in preparation for such examinations.

For Class 9 students, we offer the following courses:

a) One-year integrated classroom course for Olympiads, which includes provision of study materials and coaching for subjects in Science, Mathematics, Social Sciences, Mental Ability and English. The course aims to prepare students for the school and Olympiad examinations.

b) Two-year integrated classroom course for school examinations for Classes 9 and 10, Olympiads and NTSE, which includes provision of study materials and coaching for subjects in Science, Mathematics, Social Science, and English. The course also includes special classes for Olympiad and NTSE preparation.

For Class 10 students, we offer the one-year integrated Classroom Course for Olympiads and NTSE, which includes provision of study materials and coaching for subjects in Science, Mathematics, Social Sciences, Mental Ability and English. The course also includes special classes for NTSE preparation.

In addition to medical and engineering examinations, we prepare our students for various competitive and scholarship examinations through our classroom courses, distance learning programs and digital courses, including the following:

a) Kishore Vaigyanik Protsahan Yojna ("**KVPY**"), aimed at Class 11 and 12 students who wish to obtain scholarships to pursue studies in the Science stream;

b) National Standard Examination in Astronomy / Biology / Chemistry / Physics co-ordinated by Homi Bhabha Centre for Science Education ("**HBCSE**"), aimed at Class 11 and 12 students who wish to obtain internationally recognized awards;

c) National Standard Examinations in Junior Science ("**NSEJS**"), aimed at Class 9 and 10 students is the first stage of the International Junior Science Olympiads who wish to obtain internationally recognized awards;

d) International Mathematics Olympiads ("**IMO**") and the National Science Olympiad ("**NSO**") aimed at students who wish to obtain internationally recognized awards and/or cash awards;

e) National Talent Search Examinations ("**NTSE**"), aimed at students who wish to obtain scholarships for undergraduate to PhD studies.

The breakdown of our Student Count in the respective courses is detailed below:

For the year ended March 31, 2018, 2017 and 2016, the details of our Student Count for various classroom and other courses are detailed below.

	FY2018		**FY2017**		**FY2016**	
	Owned Centers	**Franchisee Centers**	**Owned Centers**	**Franchisee Centers**	**Owned Centers**	**Franchisee Centers**
Long-term Courses						
Medical	69,880	47,577	52,345	40,735	49,915	34,919
Engineering	23,672	9,126	19,028	8,766	22,256	9,223
Foundation	31,494	11,564	25,029	8,689	19,253	6,646
Total	**125,046**	**68,267**	**96,402**	**58,190**	**91,424**	**50,788**
Other Courses						
Distance learning program	8,549	N/A	9,922	N/A	8,242	N/A
Digital Courses(1)	7,701	N/A	6,260	N/A	3,208	N/A
Short-term/crash courses(2)	29,537	8,277	34,706	8,988	19,345	7,855
Total	**45,787**	**8,277**	**50,888**	**8,988**	**30,795**	**7,855**

Notes:

(1) Digital courses include (a) Aakash Live and (b) Aakash iTutor.

(2) Short-term / crash courses refer to courses which are typically less than three months in duration.

The above Student Count includes the carry forward students who were enrolled in our Long-Term Courses in previous years. The number of students who were carried forward for our Long-Term Courses in FY2018, FY2017 and FY2016 are detailed below:

Number of carry forward Student Count in our Courses	**2018**	**2017**	**2016**
Owned Centers	22,975	16,448	12,090
Franchisee Centers	9,152	8,283	6,814
Total	**32,127**	**24,731**	**18,904**

As with any other test preparatory or learning centers offering Long-Term Courses, we face students who dropped out of their enrolled course(s) after enrolment. The number of students who dropped out of their courses for FY2018. FY2017 and FY2016 are detailed below:

Number of drop-outs in our Courses	**2018**	**2017**	**2016**
Owned Centers	19,799	8,860	7,970
Franchisee Centers	7,683	7,141	7,492
Total	**27,482**	**16,001**	**15,462**

Details of our students who are selected under the various examinations are detailed below:

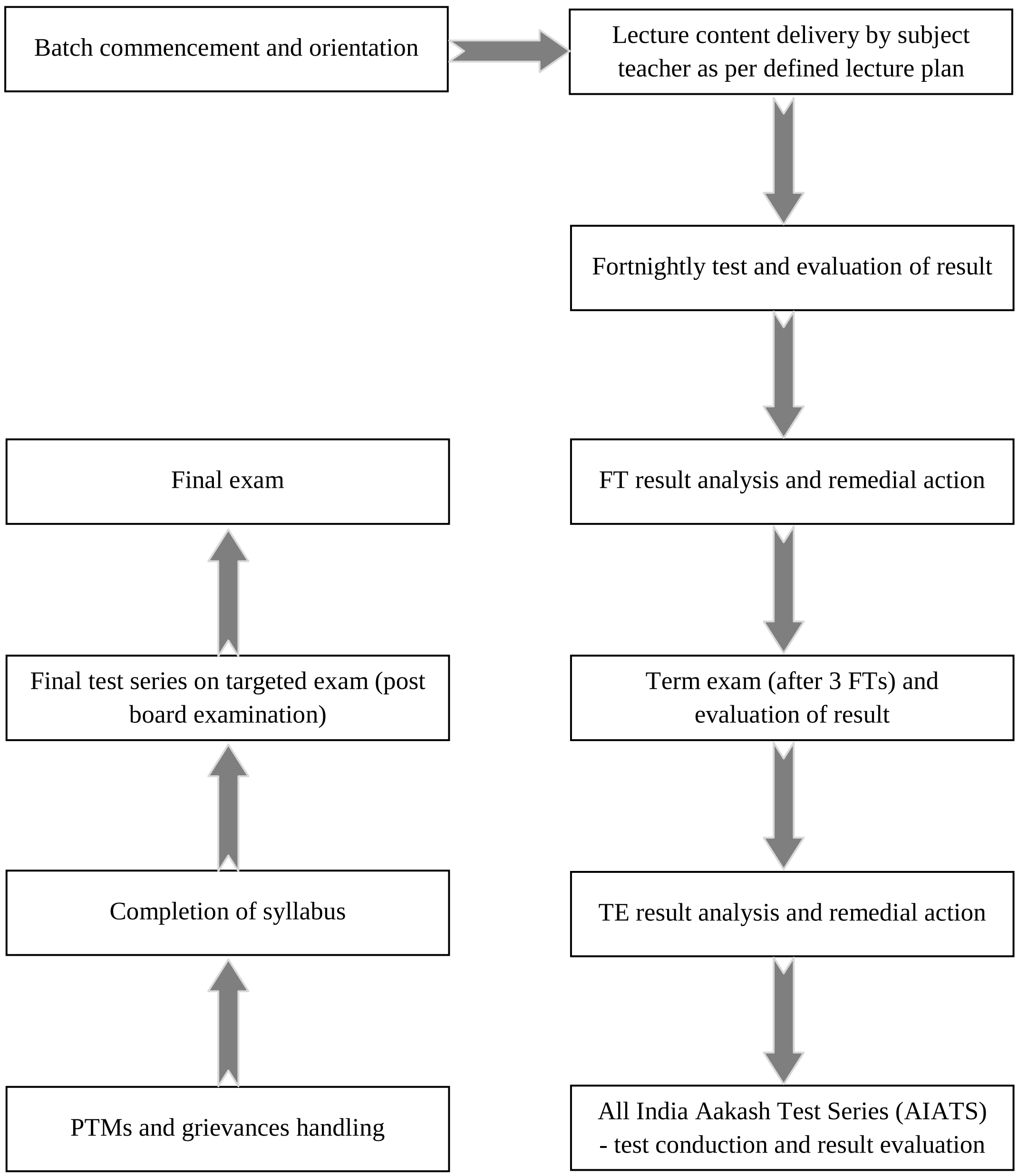
	Fiscal Year		
	2018	**2017**	**2016**
Total number of students qualified for NEET/AIPMT	**714,562**	**611,539**	**409,477**
NEET Classroom Selections of Aakash Students			
Owned Centers	34,047	27,102	16,012
Franchisee Centers	20,446	18,484	11,611
Distance learning programs and digital courses	7,335	8,258	7,295
Total NEET Selections	**61,828**	**53,844**	**34,918**

	Fiscal Year		
	2018	**2017**	**2016**
Total number of students qualified for AIIMS MBBS Medical Examination	**2,649**	**4,905**	**2,235**
AIIMS Classroom Selections of Aakash Students			
Owned Centers	265	236	306
Franchisee Centers	134	136	155
Distance learning programs and digital courses	104	118	170
Total AIIMS Selections	**503**	**490**	**631**

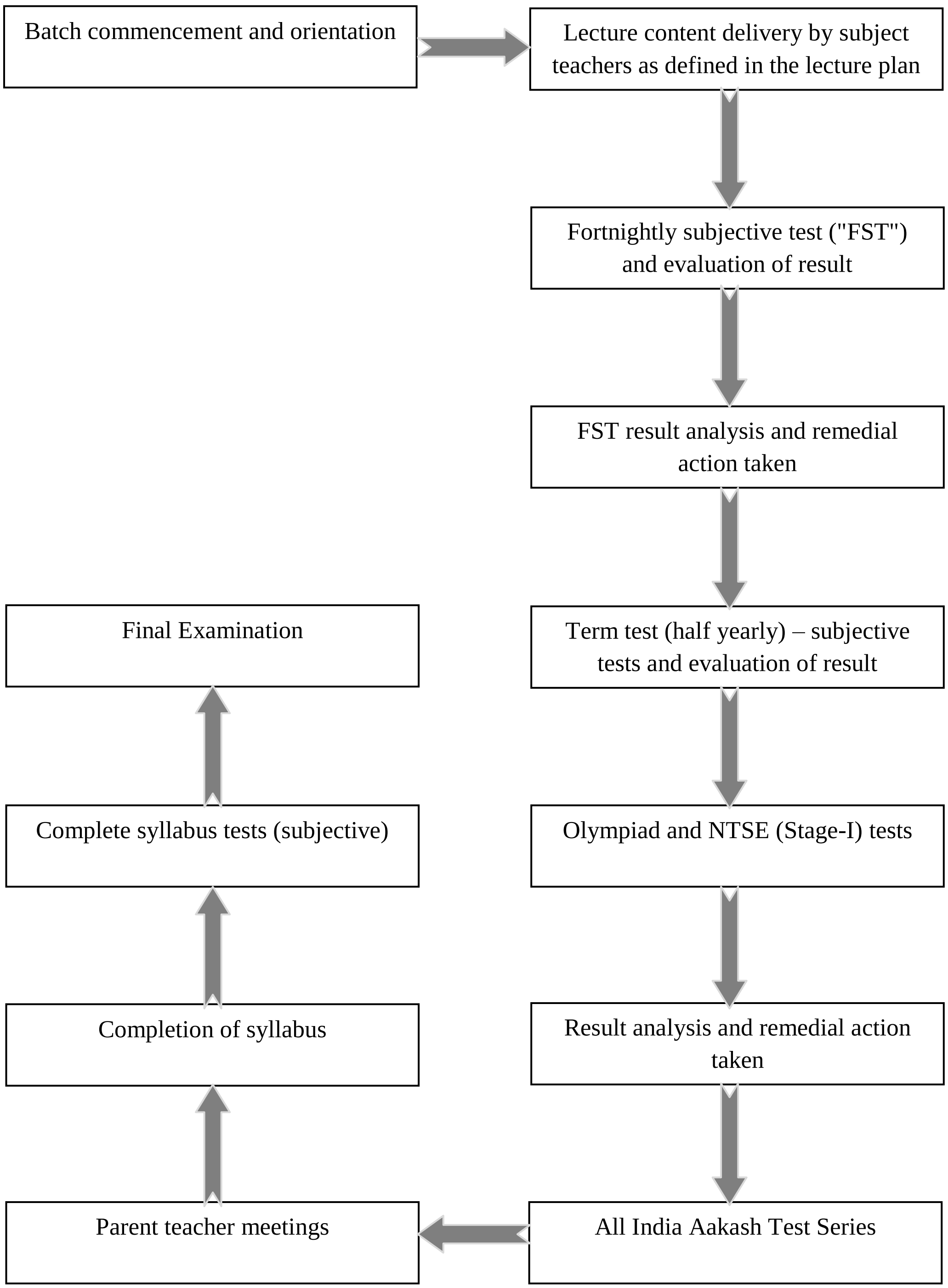
	Fiscal Year		
	2018	**2017**	**2016**
Total number of students qualified for JEE (Advanced)	**31,988**	**50,455**	**36,566**
JEE (Advanced) Classroom Selections of Aakash Students			
Owned Centers	957	1,439	939
Franchisee Centers	54	586	384
Distance learning programs and digital courses	97	391	105
Total JEE (Advanced) Selections	**1,108**	**2,416**	**1,428**

Course delivery process for Classroom Courses

Course delivery flow chart for medical and engineering classroom courses



Course delivery flow chart for foundation courses



Course delivery

Our course delivery is based on the "Aakash Way", which emphasizes on standardized teaching and the concept of experimental learning, with the aim of making concepts easily comprehensible. Our faculty members have been trained to deliver the courses based on an interactive teaching method which ensures communication between the students and the faculty while teaching. We ensure that our classrooms provide an environment which is conducive for learning by, among other things, providing better infrastructure, periodic tests and assessments and strict discipline, and continuously endeavor to improve these facilities. We also provide our students with lectures in recorded format at each of our centers, in the form of Aakash iTutor Lab which assists students in answering their queries and catching up on lectures they may have missed.

Role of All India Aakash Test Series ("AIATS") and its significance on our business

The AIATS is conducted for students at Aakash Centers across India, giving opportunity to the students to test their knowledge at an all-India level for both Aakash students and non-Aakash students. The test papers are prepared by Aakash faculty members and aimed at preparing students for the actual entrance examinations and allows them to benchmark their performance against other students. The test also helps us identify and attract students in Class 11 and 12 with potential to score well and make selections in their desired medical or engineering course to enrol in our courses. The AIATS also allows us to benchmark our Aakash Centers and helps us identify centers which are not producing desired academic results, so that we are able to implement follow-up actions and assist in improving the results of students from these centers.

Study materials

We provide study materials to our students to improve the value and effectiveness of our services. We have a centralized content development process and strive to create error-free content. Our study materials are prepared by our dedicated National Academic Team for each of the Aakash Medical, Aakash IIT-JEE and Aakash Foundations, which assists in the preparation of centralized content, in consultation with classroom center teaching experts, using reference materials to ensure that syllabi of various subjects are addressed in an efficient and easy to understand manner. We begin by creating and updating test papers and our various study materials, following which we digitalize and edit them into digital format. Prior to sending the content to our Aakash Centers via email, the National Academic Team reviews it thoroughly. Our study materials contain illustrative theory and application-based questions which allows us to deliver high- quality content. We also obtain and incorporate feedback on the content from students and the academic team at the Aakash Centers, amending our content and study materials based on such feedback. With an aim to simplify the learning process, the contents of the study materials are provided in the form of questions and corresponding answers. Our study materials also include significant points and summaries of each topic, pictures and illustrations and question papers from previous board examinations to help students easily understand and memorize the content. To equip students to face various competitive examinations, we provide multiple questions in our study materials. Further, our study materials are revised annually to ensure that our content is continuously updated with the latest curriculum.

Besides traditional classroom-based teaching, our students have the option of distance learning and digital courses via our digital platform. For details of our digital programs, see "– *Course delivery process for Classroom Courses – Aakash Digital Learning Offerings*" on page 144. The purpose of our well-planned and structured study materials is to enable us to deliver our services in an effective manner.

Tests and examinations

A series of tests and examinations are conducted each fortnight and term for each of our courses at our Aakash Centers to evaluate our students and prepare them for facing the various board and other competitive examinations. We have developed the "Test Series", which includes fortnightly tests and term examinations. For students enrolled in Aakash Medical, we conduct the AIIMS Explorer Test Series and the All India Aakash tests on a periodic basis, depending on the school examination pattern. For students enrolled in Aakash IIT-JEE, we conduct the Success Magnet tests and the All India Aakash tests on a periodic basis, in addition to subjective tests conducted on a periodic basis depending on the school examination pattern. For students enrolled in Aakash Foundations, we also conduct periodic All India Aakash test and annual syllabus and mock tests, in addition to the NTSE / Olympiad tests conducted based on the schedule of the examinations. Question papers for the examinations of various courses are prepared in accordance with the examination patterns prescribed by the respective boards governing such courses. We provide our students with a printed model answer paper after each examination, along with the marking scheme, which clarifies their doubts on various questions asked in the examinations. For our school-going students who enrolled in the Aakash Medical and Aakash IIT-JEE, we also conduct mock examinations in a manner similar to that in which the various board examinations are conducted, in order to offer a realistic experience to our students, with an aim to help boost their confidence when facing the board examinations. Such questions also have a strong focus on the NEET and JEE examination patterns, which are consistently renewed, so that our students are familiar with the examination patterns and styles. Depending on the frequency of the examinations, we set a fresh set of questions, and also conduct national assessment examinations to prepare our students.

In order to discover and nurture talent, we conduct the ACST, the ANTHE and the ATQ. The ANTHE is generally conducted in the last week of October and is aimed at students in Class 8 to 10. The ATQ is conducted in December and aimed at students in Class 12 while the ACST is generally conducted during weekends as scheduled, aimed at students in Class 8 to 12 and who could not make it for the ANTHE and ATQ. We provide scholarships for qualifying students from these tests to enrol in our programs.

Monitoring and reviewing

Our faculty members make constant efforts to reach out to each of the students and pay close attention to their needs by helping them in their day-to-day academic studies. Student monitoring at our Aakash Centers is based on factors such as attendance and test performance of the students. We conduct daily attendance checks and any absence of a student is immediately communicated to the parents, which helps to prevent students from absenting themselves from classes without the knowledge of the parents. We also conduct regular parent-teacher meetings to discuss the academic performance of the students and to highlight any areas of concern. A monthly attendance report of each student is provided to their parents at such meetings. The extent of attention required by a student is assessed based on the performance of the students in the tests conducted and parents are advised on the areas of focus for the parents, including the aptitude of the student for a particular career. Based on their performance in the internal tests conducted by us, students are selected for special training for preparation for the medical and engineering entrance examinations.

In addition to this, our faculty members undergo training in coaching and mentoring students. Faculty members mentor our students to enhance their capabilities by identifying patterns in their performance, concentrating on the strengths and weakness of students based on internal performance indicators and enabling a positive approach to examinations. Our faculty members provide counseling services to our students in order to build the right mindset towards studies, addressing pressure and stress levels and enabling a suitable physical and mental environment.

In addition, we place emphasis on reviewing and evaluating results of our students in the fortnightly tests and term examinations, and put in place remedial actions for our weaker students. At the center level, we conduct regular meetings from time to time to discuss academic progress of our students, evaluate the performances of Aakash Centers, and identify any areas for improvement. We continue to monitor the performances of Aakash Centers to ensure that we consistently deliver high quality content and services for our students.

Aakash Distance Learning

To extend the reach of our courses, we also provide distance learning programs for our medical, engineering and foundation courses. Our students enrolled in distance learning programs have contributed to the number of selections in the medical and engineering entrance examinations, and may enrol in the Comprehensive Joint Package which provides the student the AIATS and Question Bank. Students may also select the center of his/her choice to take the AIATS.

Aakash Digital Learning

We offer both offline and online methods of course delivery for each of our medical, engineering and foundation courses, providing a range of digital learning offerings tailored to students' needs. Our digital learning offerings are offered independently and also offered to supplement our classroom courses and allow students to engage in self-paced learning. These comprise (a) Aakash Live; and (b) Aakash iTutor. In addition to the above, we also provide e-learning solutions, online test series, pen drive content, SD card content, e-books and Aakash Center content support to supplement our classroom courses. Our digital programs thrive due to convenience, affordability and ability to replay content. We service students across India through our digital courses, with greater demand in tier 2 and tier 3 (based on classification by the Census of India) cities.

Our Student Count for Aakash digital learning offerings (i.e. for Aakash Live and Aakash iTutor) has increased from 3,208 in FY2016 to 7,701 in FY2018, growing at a CAGR of 54.94%.

Aakash Live

Aakash Live is an interactive virtual classroom which replicates a real classroom with the help of web real-time communication technology, delivered through tablets, mobile devices and laptops. In an Aakash Live classroom, our faculty member delivers the lecture online to any student who subscribes to our Aakash Live course is able to access these lectures using Aakash Live's online platform. We deliver our Aakash Live platform through retail and institutional formats across medical, engineering and foundation segments.

- *Retail*: a student is able to access the live lecture on the web from personal devices and locations. We market our retail Aakash Live courses through digital marketing and social media platforms.

- *Institutional*: we use Aakash Live as a platform to set up virtual classrooms in institutions such as schools. This allows students who have enrolled in Aakash Live but do not have devices to access the educational materials.

Through our Aakash Live platform, we are able to deliver test preparatory services at multiple locations simultaneously. This allows us to allocate our resources, including faculty members, more effectively and efficiently. The low cost of setting up an Aakash Live classroom also allows us to keep our expenses low, allowing us to expand our offerings to locations where setting up a full-fledged Aakash Center is not economically viable.

Aakash iTutor

Aakash iTutor is a digital content-based platform providing recorded video lectures with integrated test taking and self-assessment designed for self-paced learning. We provide engineering, medical and foundation (Class 8 to Class 10) test preparatory services through our Aakash iTutor platform. The Aakash iTutor platform allows students the flexibility to access the recorded lectures at any place and time at their convenience. We currently market Aakash iTutor through tele-sales and at our Aakash Centers.

Currently, we have over 1 million installations of our Aakash iTutor Android app, and we have a dedicated team of faculty members for our Aakash iTutor platform.

Aakash iCampus

Aakash iCampus is an initiative that is under development to enhance regular classroom experience and supplement classroom offerings using real-time tests, active feedback to both the student and the faculty member and increase interaction.

Ask-an-Expert

From our experience, an average student raises a standard set of questions on any topic. With the help of a digital database, we can address the queries of multiple students on a real-time basis in an automated environment which collects information based on past data. We are in the process of creating a digital data-bank of questions taking inputs from our Aakash Live, Aakash iTutor and classroom platforms to build the Ask-an-Expert platform. With this, we plan to create a query resolution platform which can be bundled with our full course product offerings to complement our course offerings. This service is intended to be an interactive guide for the student through a standalone application designed by a team consisting of faculty members, co-ordination members, product managers and an outsourced technology team.

Connected Classrooms

In order to meet the needs of many students who want to learn from a specific faculty member, we are developing the idea of "connected classrooms". A faculty member will be physically present in one classroom. Through live streaming of the lecture in other classrooms in the same Aakash Center, coupled with an interactive system for students to ask doubts, the lecture will reach students seated in physically separated classrooms. This project is in its implementation phase.

Aakash Test Learning Management System

Our Aakash Test Learning Management System provides online test taking services for self-assessment purposes and allows our students to benchmark their performance against the national standard.

Agile Boards

We use interactive boards ("**Agile Boards**") to enhance our teaching in our Aakash Centers. The Agile Boards allow greater interaction with different media content for course delivery, which makes learning more interesting and may assist our students to retain concepts more effectively.

Additional services

In order to supplement and improve the effectiveness of our services, we provide our students with a number of complimentary value-added services for students enrolled in our Long-Term Courses, including:

- *Career Counseling*: Seminars and exhibitions conducted for students and their parents to introduce them to the various career opportunities and courses available. Information regarding the institutions offering various degrees is also provided to the students.

- *Counseling Sessions*: Counseling sessions conducted with the parents and students to facilitate communication between the faculty members, students and parents on the students' requirements and for better performance.

We also have faculty members at our Aakash Centers who have been allocated the duty of clarifying students' doubts outside classes.

Our Students

Our courses are aimed at students studying between Class 8 and Class 12, and students who have graduated from Class 12 and intend to take and/or reappear for the medical or engineering entrance examination in addition to school and board examinations. Our student base has grown at a rapid rate in recent years. We have maintained sizable Student Count, which represents the cumulative total number of courses enrolled in and paid for by our students, and have had a high growth rate over recent years. Our Student Count increased at a CAGR of 16.78% from 153,662 in FY2016 to 209,563 in FY2018. We enrol our students primarily through ANTHE, ACST and ATQ. Our advertisement and publicity expenses as a percentage of our revenues from operations was 9.87% for FY2018.

In order to discover and nurture talents, students who score well in the ANTHE, ACST and/or ATQ are provided with scholarships to enrol in our courses.

Franchisee Arrangements

As on March 31, 2018, we operate 67 Aakash Centers in 42 cities through Franchisee arrangements, wherein we enter into agreements (the "**Franchisee Agreement**") with third party franchisees (the "**Franchisee**"), to conduct and operate Aakash Centers under the "Aakash" brand in accordance with the terms of the Franchisee Agreements.

Typically, the term of a Franchisee Agreement is five years and renewable for every five years on the basis of mutual discussions with the Franchisee and such renewal is subject to a renewal fee charged on the Franchisee at such date provided for in the Franchisee Agreement. We have the right to terminate the Franchisee Agreement in case of non-performance by the Franchisee in accordance with the Franchisee Agreement. Pursuant to the Franchisee Agreement, the Franchisee is given the right to use the teaching methodology, reference notes, content and study and test materials provided by us and to use our brand to operate a Franchisee Center in the specified location. The Franchisee is responsible for, amongst others, setting up the infrastructure of the Franchisee Center, including acquisition of the premises for the Franchisee Center, furnishing the Franchisee Center and, obtaining and maintaining requisite approvals, licenses and certificates. In terms of the Franchisee Agreements, we are entitled to a share in the actual fee collected by the Franchisee Center and a one-time non-refundable Franchisee fee at the time of signing the Franchisee Agreement. Typically, our share is in the range of 25% to 36% of the Net Fees collected, depending on the type of courses, stream and location of the Franchisee Centers, including courses being conducted at various schools, if any, which is payable on the 4th and 19th day of every calendar month in accordance with the terms of the respective agreements. The notice period for termination is six months and there are clauses in place to secure our interest in case of an exit. For example, the Franchisee shall reimburse 100% of the gross fee collected from a student net of service charges paid to us and additional compensation for business loss and damage to our Company caused by such exit in case of a mid-season exit and we are unable to use the same premises or telephone numbers. As the students of such Franchisee will be affected should termination occur prior to the examinations, this clause allows us to safeguard their interests by relocating the student to another nearby Aakash Center which offers the same course wherever possible. The Franchisee cannot undertake similar business that will compete with our business during the term of the Franchisee Agreement and for two years after the termination of the arrangement. Further, the Franchisee is not entitled to transfer the business of the particular Aakash Center to third parties.

In selecting our Franchisees, we take into consideration our potential Franchisees' educational qualifications, financial capability, knowledge of the regional market, business experience and skills with a minimum of four to six years' experience in business, and the individual's commitment level in the franchise.

We have expanded into East India primarily through Franchisee arrangements. The decision to open a Franchisee Center in a particular area is taken on the basis of review and analysis by our marketing, sales and academic teams. Once we identify a city or location for a center, we commence by conducting marketing and advertising for ANTHE and ACST. We follow a robust process for selection of a Franchisee. The franchise model is value accretive to us and the Franchisee as it increases our visibility and reach at minimal investment and the Franchisee benefits from our strong brand, faculty recruitment, academic and pedagogy support, and technology support.

Brand, marketing and Student Count

Our brand is widely known in the education field in India. We believe that the quality of our educational content and the effectiveness of our teaching methodologies, as evidenced by the number of selections of our students, have made us one of the top choices for students intending to qualify for undergraduate medical and engineering courses. Our Company spent 9.87%, 11.26% and 12.75% of our revenue from operations on advertisement and publicity expenses in FY2018, FY2017 and FY2016, respectively, in order to build our brand.

From time to time, we undertake various marketing and advertising campaigns to increase our brand awareness. In order to do so, we conduct campus visits to selected schools to market our courses, distribute flyers, various social media and word-of-mouth recommendations. We attract a majority of our students via the ACST, the ANTHE and the ATQ. We provide scholarships for qualifying students from these tests to enrol in our programs.

We advertise our brand and services through different media including print, radio, television advertisements, social media, search engines and other outdoor media. We also market through various promotional materials such as handbills, flyers and brochures. Further, we conduct seminars for parents and students to enhance our brand awareness and introduce them to the features of our services.

Upon receiving enquiries from parents for enrolment, our counsellors explain various features of our services such as courses, functioning, teaching methodology, fee structure, previous results and location of our Aakash Centers. We train our counsellors to improve their skills to make effective presentations with an aim to convert enquiries into enrolments. Our counsellors collect details of students and parents at the initial enquiry session and carry out follow-up activities thereafter to convert such enquiries into enrolments.

As with any other learning centers offering Long-Term Courses, we face students who dropped out of their enrolled course after the commencement of the course. We provide refunds based on our refund policy. We typically do not refund registration fees, admission fees, technology fees and examination fees. However, we may provide refunds of admission fees if the course has not commenced. In relation to course fees, we will provide refunds depending on when the student informed us that he/she is dropping out of the course. For our Franchisee Centers, the Franchisees are responsible for providing the refunds to students.

Our Faculty

We have assembled a faculty of educators with significant experience. Our faculty is critical to maintaining the quality of our services and promoting our brand and reputation. As of March 31, 2018, we had 1,969 faculty members in our Owned Centers.

Our faculty recruitment process is selective as we focus on initial campus training and a lateral hire training process before selecting a candidate to be one of our faculty members. We recruit our faculty members through campus and lateral hiring and also attract faculty members through telephone screening, social media and newspaper advertisements. The recruitment process involves multi-level scrutiny, including: (i) personal interviews by the subject heads and the human resource department; (ii) demo-lectures evaluated by faculty members; (iii) a faculty recruitment test; (iv) workshops for potential candidates followed by a round of demo-lectures implementing the methodology taught at the workshop; and (v) a final round of interviews with our top management. Upon completion of the training workshop, which includes training on the teaching methodologies followed by us and other important skill sets, the faculty member is allowed to conduct lectures / classes.

Prior to our campus visit, we conduct manpower planning, review and finalize a list of colleges and universities to visit, and send communications to the selected colleges and universities, who will share a list of interested candidates segregated by subject. During our visit, we conduct pre-placement talks, question and answer sessions, assist prospective candidates in filling in application forms for the desired subjects they wish to teach, and even provide a lecture demonstration. Once the right candidate is identified, we send an offer letter and the candidate is placed on a congratulatory call. We will then follow up with the candidate to ensure that the candidate joins us as a faculty member.

For lateral recruitments, once our human resources department identifies an opening after conducting a manpower planning review, the manager will discuss and understand the requirements of the role, and subsequently approach suitable candidates through telephone screening, social media checks and other methods. All prospective faculty member candidates have to go through a faculty recruitment test and deliver a demonstrative lecture to be reviewed by the National Academic Team. Once the prospective faculty member candidate passes the above stages, the candidate will meet with the Head of the Department and attend a final interview with our management team, before proceeding to salary negotiations and a providing a final offer.

We have a specialized team of master trainers who conduct the training program for our faculty members. The training for faculty members hired from campus recruitment process and lateral hire process takes place over about three months and one month, respectively. Our faculty members are associated with us on contractual arrangements for a fixed term. Typically, the term of a faculty agreement is two to three years, which is automatically renewed for periods of the same duration unless the agreement is terminated by either party to such agreement. The faculty members are paid fixed contractual fees on a monthly basis. All of our faculty members are restricted from providing test preparatory services other than through us during the course of their association with us. Pursuant to the faculty agreements, the faculty members are also subject to non-compete and non-solicitation obligations post-termination of their employment with us.

We aim to provide a supportive working environment, providing our faculty members with opportunities for career development and advancement. We operate through a corporatized structure, with administrative and business development roles separate from the academic department. We encourage our teachers to focus on teaching and getting to know their students. We believe that our student quality and market-competitive compensation help ensure the stability of our faculty base. Further, we conduct regular training sessions for our faculty members on teaching methodologies and teaching skills in order to equip them to adapt to students' changing needs and changing examination trends as well as academic syllabus. The quality of our faculty is important to the success of our Company and accordingly, we strive to maintain a large pool of faculty with consistent quality. To reduce faculty attrition and encourage our faculty members to grow their careers with us, we also provide a clear career path for our faculty members in which they have the opportunity to be promoted to an Academic Head, an Assistant Director, or even a Deputy Director.

The table below sets forth the number of the faculty members for our courses at our Owned Centers as of March 31, 2018:

Number of faculty members	**Total**
Aakash Medical	970
Aakash IIT-JEE	499
Aakash Foundation	500
Total	**1,969**

Competition

The test preparatory service provider market is highly competitive and dominated by small unorganized players. The industry is highly concentrated, with each player competing for the same students. The players in the test preparatory service provider market are mostly small and unrecognized. As we are a national test preparatory service provider, we face competition from both organized and unorganized, regional and national players in the market. For further details, see "*Industry Overview*" on page 92 and "*Risk Factors – 2. The test preparatory services industry depends substantially on our faculty members and our ability to attract and retain them. Sudden decrease in the number of our faculty members due to attrition may affect our operations and business. Strong competition in the test preparatory service sector could also decrease our market share and compel us to reduce course fees or provide higher discounts on our course fees. This may have a material adverse impact on our Student Count, revenues and profitability"* on page 16.

Competition is based on the quality of services, brand equity, performance of students, location of centers, the types of courses and the fee structure. We are in a position to compete effectively in the market with the pool of faculty, diversity in the courses, brand recognition, wide network of Aakash Centers and an effective course delivery process. We continually endeavour to increase the number of Aakash Centers and to ensure that we produce consistently high results.

Insurance

We are subject to risks related to terrorist attacks, riots, fire, earthquake, flood and other *force majeure* events. We maintain standard fire and special perils policy, burglary standard policy and public liability non-industrial policy for our Registered Office and various leased premises where we operate our Owned Centers. We generally maintain and renew insurance policies covering our assets and operations at appropriate levels. Further, we also maintain employee insurance policies such as group mediclaim insurance policy and group personal accident policy. We also maintain a directors' and officers' liability insurance with a limit of liability of ₹ 300 million, for each and every claim and in the aggregate. However, we do not impose any obligations on our Franchisees to obtain and/or maintain any insurance.

Intellectual Property

We have registered the logos and as trademarks under Class 41, which deals with, amongst others, teaching and coaching institutes and publication of study materials and Class 16, which deals with, amongst others, stationery, manuals, instructional and teaching materials, with the Trade Marks Registry, Government of India. For further details, including in relation to certain key trademarks registered by us and certain applications for registration of trademarks filed by us that are currently pending, see "*Government and Other Approvals*" on page 306. We have also registered a number of domain names for our websites.

Our Company has executed a Deed of Assignment dated June 18, 2018 with J C Jagruti, one of our Group Companies and a member of our Promoter Group pursuant to which J C Jagruti has assigned all rights, title and interest in certain trademarks, trademark applications and copyrights related to the business operations to our Company on an exclusive basis. For details, see "*History and Certain Corporate Matters*" on page 155.

Employees

We had 4,045 employees as of March 31, 2018. Our employees include our faculty members, and also consist of non-teaching staff who administer our business operations such as coordinating classrooms and databases and organising counselling sessions and meetings with parents. Our business operations include monitoring day-to-day functioning of the Aakash Centers, ensuring the availability of facilities and support services and Aakash Center specific-marketing. These are driven primarily by our employees. Our employees are not unionized and are not affiliated with any union. A breakdown of our employees for the last three FYs is detailed below:

Function of Employees	FY 2018	2017	2016
Faculty Members	1,969	1,655	1,252
Faculty Members deployed to our Franchisee Centers	89	95	74
Non-teaching Employees	1,987	2,008	1,579
Total	**4,045**	**3,758**	**2,905**

Property

The properties on which we operate our Owned Centers are: (i) owned by us, (ii) leased from Mr. J.C. Chaudhry, our Promoter, Chairman cum Managing Director, or (iii) leased from third parties. The term of our lease agreements ranges between 11 months to ten years and is typically renewable at the end of the lease term. Most of these lease agreements have a lock-in provision for a part of the lease duration and comprise a provision for rent escalation at regular intervals during the tenure of the agreement.

Additionally, our Registered Office is leased from Mr. J.C. Chaudhry, our Promoter, who is also the Chairman cum Managing Director of our Company, for a period of nine years commencing from April 1, 2018. We currently also lease two properties as warehouse for our business operations in relation to which we have entered into lease agreements with Mr. J.C. Chaudhry, our Promoter. For properties leased from our Promoter, J.C. Chaudhry, we have recently renegotiated the terms of such leases, including the rent payable by us, based on an independent valuation report. For details in relation to lease arrangements with our Promoters, please refer to "*Our Promoters and Promoter Group – Payment of Benefits to our Promoters or Promoter Group – Lease Arrangements with Promoters*" on page 178.

Further, in terms of the Franchisee Agreements, the Franchisees are responsible for acquiring the properties for the purposes of operating our Franchisee Centers.

Corporate social responsibility

As part of our corporate social responsibility initiatives, we participate in various social development in areas such as, amongst others, education, health, social responsibility, environment, arts and culture and awareness.

Material Agreements

For details of the material agreements entered into by our Company, see "*History and Certain Corporate Matters – Summary of Material Agreements*" on page 159.

Legal Proceedings

From time to time, we are subject to legal proceedings, investigations and claims in the ordinary course of our business. For details, see "*Risk Factors – 24. There are outstanding legal proceedings involving our Company and our Promoters and Directors*" and "*Outstanding Litigation and Material Developments*" on pages 30 and 300, respectively.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain key regulations in India which are applicable to the business and operations of our Company. The information detailed in this section has been obtained from publications available in the public domain. The description of the regulations set forth below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The information in this section is based on the current provisions of applicable laws in India that are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

For details of regulatory approvals obtained by us in compliance with the applicable regulations, see "Government and Other Approvals" on page 306.

A. Overview of Medical and Engineering Entrance Examinations

The Central Board of Secondary Education ("**CBSE**") currently conducts, *inter alia*, the National Eligibility cum Entrance Test (NEET) and the Joint Engineering Entrance (JEE) exam for admission to undergraduate courses in medicine and engineering, respectively. The Examination Bye-Laws of the CBSE, effective since January 31, 1995, specify that the CBSE will conduct examinations specified under its Bye-Laws annually, including the All India Pre-Medical/Pre-Dental Entrance Examination and the All India Engineering/Architecture Entrance Examination. The Bye-Laws specify an indicative Sunday in April/May when these examinations may be conducted, and also state that they will be held on the date and time at such to be specified by the Chairman of the CBSE every year.

According to a Press Information Bureau circular dated November 10, 2017, the Union Cabinet approved the creation of the National Testing Agency ("**NTA**") as a society registered under the Indian Societies Registration Act, 1860. The NTA will operate as an autonomous and self-sustained testing organization to conduct entrance examinations for higher educational institutions and would initially conduct entrance examinations that are currently being conducted by the CBSE, which would include the NEET and the JEE examinations.

Pursuant to a Press Information Bureau circular dated July 7, 2018 (the "**July 7 Press Release**"), it has been announced by the Ministry of Human Resource Development, Government of India, that the NTA will be conducting various entrance examinations for higher educational institutions from the next academic session in 2019 (including the NEET and JEE Main entrance examinations). The examinations for all students will be conducted in a computer-based format, adopting highly secured IT software and encryption in order to prevent any leakage or other malpractice. The NEET and JEE Main entrance examinations will be conducted twice prior to admissions in an academic session and there will be no change in the syllabus, the pattern of the question paper, the examination fees that are being currently charged or in the existing number of languages. Admissions for courses on the basis of these examinations will be by using psychometric methods, standardization techniques and the best of equated scores. The NTA will establish a network of test practice centers for students of rural areas to practice before the examinations and these centers may be used by students at no cost. The tentative schedule for exams has also been announced in the July 7 Press Release with the NEET to be held in February and May and JEE Main entrance examination to be held in January and April each year.

B. Laws relating to Test Preparatory Services

1. *Coaching Sector Related Laws*

Certain state governments have enacted laws to control and regulate private coaching institutes. These states include Andhra Pradesh, Goa, Kerala, Telangana and Uttar Pradesh. Pursuant to these legislations, persons operating coaching centers are required to obtain a certificate of registration from the authority specified under the legislation in order to operate coaching centers in such state. Such registration may be obtained upon the submission of an application form (along with the prescribed registration fee which varies from state to state), by the coaching center or a person proposing to establish such center. The validity of the registration varies from state to state and is generally for at least a year unless cancelled or suspended, and is required to be renewed upon expiry by the coaching center or the person running such institute. The authorities set up under these legislations have the power to, *inter alia*, conduct inspections of coaching centers, cancel registrations in the event of violation of the relevant act, rules or regulations and impose penalties. Failure to obtain a coaching center license may be punishable with a penalty which ranges from ₹ 25,000 to ₹ 100,000. Further, in terms of certain state education statutes, in the event any entity/person is engaged in the business of operating a coaching center without a valid license or continues to operate a coaching center after cancellation of the registration, such entity/person may be punishable for a term of at least six months which may extend to one year or with fine which may extend to ₹ 1,000 or with both.

2. *Telemarketing Laws*

The Department of Telecommunications ("**DoT**") has framed telemarketing guidelines which regulate commercial messages transmitted through telecommunication services and are applicable to the telemarketing activities by our Company in relation to our business. These guidelines require any person or entity engaged in telemarketing to obtain registration from the DoT.

Telemarketing guidelines were issued by the Telecom Regulatory Authority of India ("**TRAI**") as the Telecom Unsolicited Commercial Communications Regulations, 2007 (the "**Unsolicited Communications Regulations**"). The Unsolicited Communications Regulations required telemarketers to, *inter alia*, obtain registration and discontinue the transmission of unsolicited commercial messages to telephone subscribers registered with a national database established under the regulations. The Unsolicited Communications Regulations have now been replaced with the Telecom Commercial Communications Customer Preference Regulations, 2010 (the "**Customer Preference Regulations**"), issued by the TRAI on December 1, 2010. The Customer Preference Regulations prohibit the transmission of unsolicited commercial communication via calls or SMS, except commercial communication relating to certain categories specifically chosen by the subscribers, certain exempted transactional messages and any message transmitted on the directions of the Government or their authorized agencies, impose penalties on access providers for any violations, require setting-up customer complaint registration facilities by access providers and provide for blacklisting of telemarketers in specified cases. Further, the Customer Preference Regulations prohibit the transmission of commercial messages other than between 9 a.m. to 9 p.m. Under the Customer Preference Regulations, no person, or legal entity who subscribes to a telecom service provided by an access provider, may make any commercial communication without obtaining a registration as a telemarketer from the TRAI.

C. Intellectual Property Laws

1. *The Trade Marks Act, 1999 (the "Trade Marks Act")*

The Trade Marks Act provides for the application, registration and protection of trademarks in India. The Trade Marks Act provides exclusive rights to the use of trademarks such as, brands, labels and headings that have been registered and to provide relief in case of infringement of such marks. The Trade Marks Act prohibits any registration of deceptively similar trademarks. The Trade Marks Act also provides for penalties for infringement and for falsifying and falsely applying trademarks and using them to cause confusion among the public.

Our Company has obtained and applied for trademark registrations for the various brands and logos used in our business which are subject to the provisions of the Trade Marks Act, 1999.

2. *The Copyright Act, 1957 (the "Copyright Act")*

The Copyright Act provides for registration of copyrights, assignment and licensing of copyrights, and protection of copyrights, including remedies for infringement. The Copyright Act protects original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. In the event of infringement of a copyright, the owner of the copyright is entitled to both civil remedies, including damages, accounts and injunction and delivery of infringing copies to the copyright owner, and criminal remedies, including imprisonment and imposition of fines and seizure of infringing copies. Copyright registration is not mandatory under the Copyright Act for acquiring or enforcing a copyright, however, such registration creates a presumption favoring ownership of the copyright by the registered owner.

D. Other Relevant Legislations

1. *Shops and Establishments Legislations*

Under the provisions of local shops and establishments legislations applicable in different states, commercial establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops and commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

2. *Fire Prevention Laws*

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Aakash Centers and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance.

3. *Municipality Laws*

State governments are empowered to endow municipalities with such powers and authority as may be necessary to enable them to perform functions in relation to permitting the carrying on of trade and operations. Accordingly, State governments have enacted laws authorizing municipalities to regulate use of premises, including regulations for issuance of a trade license to operate, along with prescribing penalties for non-compliance.

4. *The Consumer Protection Act, 1986 (the "COPRA")*

The COPRA provides for the protection of the interests of consumers and the settlement of consumer disputes. The COPRA sets out a mechanism for consumers to file complaints against, *inter alia,* service providers in cases of deficiencies in services, unfair or restrictive trade practices and excessive pricing. The terms "defect" and "deficiency" are broadly defined and cover any kind of fault, imperfection or shortcoming in the quality, quantity, potency, purity or standard. A three-tier consumer grievance redressal mechanism has been implemented pursuant to the COPRA at the national, state and district levels. If the allegations specified in a complaint about the services provided are proved, the service provider can be directed to *inter alia* remove the deficiencies in the services in question, return to the complainant the charges paid by the complainant and pay compensation, including punitive damages, for any loss or injury suffered by the consumer. Non-compliance with the orders of the authorities may attract criminal penalties in the form of fines and/or imprisonment.

5. *Taxation Laws*

The tax related laws that are applicable to our Company include the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017 and the relevant state legislations for goods and services tax.

6. *Laws Relating to Employment*

Our operations are subject to compliance with certain additional labor and employment laws in India. These include, but are not limited to, the following:

- the Child Labour (Protection and Prohibition) Act, 1986
- the Contract Labour (Regulation & Abolition) Act, 1970
- the Employees Compensation Act, 1923

- the Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- the Employees' State Insurance Act, 1948
- the Equal Remuneration Act, 1976
- the Maternity Benefit Act, 1961
- the Minimum Wages Act, 1948
- the Payment of Bonus Act, 1965
- the Payment of Gratuity Act, 1972
- the Payment of Wages Act, 1936
- the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

7. *The Information Technology Act, 2000 (the "IT Act")*

The IT Act creates liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines and imprisonment for various computer related offences. These include offences relating to unauthorized access to computer systems, damaging such systems or modifying their contents without authorization, unauthorized disclosure of confidential information and committing of fraudulent acts through computers.

In April 2011, the Department of Information Technology under the then Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (the "**IT Personal Data Protection Rules**") under Section 43A of the IT Act and notified the Information Technology (Intermediaries Guidelines) Rules, 2011 (the "**IT Intermediaries Rules**") under Section 79(2) of the IT Act. The IT Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data. The IT Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it.

8. *Foreign Investment*

Under the consolidated FDI Policy (effective from August 28, 2017) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India and the provisions of the Foreign Exchange Management Act, 1999 along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, 100% foreign investment through the automatic route, i.e., without requiring prior governmental approval, is permitted in the test preparatory services sector.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated in New Delhi, India on October 15, 2007 as 'Aakash Educational Services Limited', a public limited company, under the Companies Act, 1956 with the RoC. It received a certificate for commencement of business from the RoC on January 9, 2008. Our Company was converted into a private limited company under the Companies Act, 2013 and its name was changed to 'Aakash Educational Services Private Limited', and consequently a fresh certificate of incorporation dated June 21, 2014 was issued by the RoC. Subsequently, our Company was converted into a public limited company and consequently its name was changed to 'Aakash Educational Services Limited' and a fresh certificate of incorporation consequent upon conversion dated July 5, 2018 was issued by the RoC.

Our Company has 11 Shareholders as on the date of filing of this Draft Red Herring Prospectus. For further information, see "*Capital Structure*" on page 66.

Changes in Registered Office

The Registered Office of our Company is situated at Plot No.8, Aakash Tower, Pusa Road, New Delhi 110 005, India.

There has been no change in the registered office of our Company since its incorporation other than as set forth below:

Change in address		**Date of change of registered office**	**Reasons for change**
<u>At incorporation</u>: Aakash Tower, Plot No. 4, MLU, Sector-11, Dwarka, New Delhi 110 075, India	<u>To</u>: Plot No.8, Aakash Tower, Pusa Road, New Delhi 110 005, India	September 15, 2016	To ensure availability of improved infrastructure for the increase in the number of employees of our Company

Main Objects of our Company

The main objects of our Company contained in its Memorandum of Association are as set forth below:

1. *"To carry out the business of coaching classes, test series, e-learning & correspondence courses for various competitive entrance examinations & academic examinations. To conduct seminars, conferences and research on various educational subjects. To provide consultancy, organise, establish, run, maintain and management of child preparatory centers, school, college, vocational institute, engineering, medical, dental colleges and B.Ed. colleges etc.*

2. *To provide libraries and reading room facilities to students etc.*

3. *To provide the hostel and transport facilities to students.*

4. *To arrange and organise social, cultural and educational programs from time to time."*

The objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Date of Shareholders' Resolution	Nature of Amendment
February 5, 2008	Amendment to Clause V: The initial authorized share capital of our Company of ₹ 2,000,000 comprising 200,000 equity shares of face value of ₹ 10 each was increased to ₹ 50,000,000 comprising 5,000,000 equity shares of face value of ₹ 10 each.
July 19, 2008	Amendment to Clause V: The authorized share capital of our Company of ₹ 50,000,000 comprising 5,000,000 equity shares of face value of ₹ 10 each was increased to ₹ 100,000,000 comprising 10,000,000 equity shares of face value of ₹ 10 each.
February 12, 2013	Amendment to Clause V: The authorized share capital of our Company of ₹ 100,000,000 comprising 10,000,000 equity shares of face value of ₹ 10 each was increased to ₹ 250,000,000 comprising 25,000,000 equity shares of face value of ₹ 10 each.
May 13, 2014	Change of name from 'Aakash Educational Services Limited' to 'Aakash Educational Services Private Limited' pursuant to conversion into a private limited company.
September 26, 2017	Amendment to Clause V: The authorized share capital of our Company of ₹ 250,000,000 comprising 25,000,000 equity shares of face value of ₹ 10 each was increased to ₹ 500,000,000 comprising 50,000,000 equity shares of face value of ₹ 10 each.
June 18, 2018	The authorized share capital of our Company of ₹ 500,000,000 comprising 50,000,000 equity shares of face value of ₹ 10 each was altered by way of sub-division to ₹ 500,000,000 divided into 100,000,000 Equity Shares of face value ₹ 5 each.
June 18, 2018	Change of name from 'Aakash Educational Services Private Limited' to 'Aakash Educational Services Limited' pursuant to conversion from a private limited company into a public limited company.

Major Events

The table below sets forth some of the key events in the history of our Company and its business, including prior to incorporation of our Company:

Calendar Year	Event
Key events prior to incorporation of our Company	
1988	First 'Aakash Institute' coaching center started in Ganesh Nagar in West Delhi
1997	First franchisee center launched in Mayur Vihar in East Delhi
2007	The engineering wing 'Aakash IIT-JEE' started providing test preparatory services for engineering aspirants
Incorporation of our Company and subsequent key events	
2007	Incorporation of our Company as a public limited company
2008	Acquired the business of coaching centers from Mr. J.C. Chaudhry and Mr. Aakash Chaudhry
2009	Launched foundation courses under the brand 'Aakash Foundations' for students in class 8 to class 10 to prepare for, *inter alia*, school, board examinations, NTSE and Olympiads
2012	Launched the tablet-based learning program 'Aakash iTutor'
2016	Launched the digital e-learning program 'Aakash Live'
2017	Launched Aakash Talent Quest (ATQ)

Other Details Regarding Our Company

For details of our Company's corporate profile, business, history, description of our activities, services, products, market of each segment, the growth of our Company, standing of our Company in relation to prominent competitors with reference to our products and services, technology, market, major customers and geographical segment, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 129 and 276, respectively.

For details of the management and managerial competence of our Company, see "*Our Management*" and "*Our Business – Competitive Strengths*" on pages 160 and 131, respectively.

Capital Raising Activities through Equity or Debt

For details regarding our capital raising activities through equity, see "*Capital Structure*" on page 66.

For details regarding our capital raising activities through debt, see "*Financial Indebtedness*" on page 275.

Injunctions or Restraining Orders against our Company

Except as disclosed in "*Outstanding Litigation and Material Developments*" on page 300, there are no injunctions or restraining orders against our Company as on the date of this Draft Red Herring Prospectus.

Financial and Strategic Partners

Our Company does not have any financial and strategic partners as on the date of this Draft Red Herring Prospectus.

Changes in the Activities of our Company during the Last Five Years

There have been no changes in the activities of our Company during the five immediately preceding years, which may have had a material effect on the profits and losses of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Defaults or Rescheduling of Borrowings from Financial Institutions/Banks and Conversion of Loans into Equity

No defaults or rescheduling have occurred in relation to any borrowings availed by our Company from any financial institutions or banks, nor have any such borrowings or loans been converted into Equity Shares.

Lock-outs and Strikes

There have been no lock outs or strikes at any of the premises of our Company.

Time or Cost Overruns

Our Company has not implemented any projects since its incorporation, and has accordingly not experienced any time or cost overrun in relation thereto.

Awards, Certifications and Recognitions

We have received the following awards, certifications and recognitions

Calendar Year	Award/Certification/Recognition
2013	Certificate of excellence in "recognition of smart innovation" awarded at Inc. India Innovative 100 (2013)
2014	Inc. Hall of Fame 2014 presented in "recognition of entrepreneurial zeal, growth and excellence"
2014	Certificate of excellence in the category 'Best Test Preparation Services' from ASSOCHAM India
2016	World's Greatest Brands 2015-16 - India by Asia One in the education category
2017	World's Greatest Brands 2016-17 Asia & GCC by Asia One in the coaching institute category

Holding Company

Our Company does not have any holding company.

Subsidiaries, Associates and Joint Ventures

Our Company does not have any subsidiaries, associates or joint ventures.

Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamations and Revaluation of Assets

Except as disclosed below, our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation or revaluation of assets since its incorporation.

1. *Acquisition Agreement between our Company and Mr. J.C. Chaudhry*

   Our Company entered into an acquisition agreement ("**Acquisition Agreement 1**") with Mr. J.C. Chaudhry on April 1, 2008 for acquisition of the business of running coaching centers under the name and style of 'Aakash Institute/Aakash IIT-JEE', from Mr. J.C. Chaudhry. According to the terms of the Acquisition Agreement 1, our Company acquired as a going concern with effect from April 1, 2008, the above business with its assets, staff and employees and all liabilities by issuing and allotting 2,314,677 equity shares of our Company of face value of ₹ 10 each, aggregating to ₹ 23,146,770, to Mr. J.C. Chaudhry.

   The Acquisition Agreement 1 restricts Mr. J.C. Chaudhry from being engaged in or having any beneficial interest in or connection with any business similar to that of our Company, or from using the name of 'Aakash Institute/Aakash IIT-JEE' with effect from April 1, 2008. Further, our Company is required to indemnify Mr. J.C. Chaudhry for any damage or loss arising out of business conducted in the name of 'Aakash Institute' or from execution of the Acquisition Agreement 1.

2. *Acquisition Agreement between our Company and Mr. Aakash Chaudhry*

   Our Company entered into an acquisition agreement ("**Acquisition Agreement 2**") with Mr. Aakash Chaudhry on April 1, 2008 for the acquisition of running franchisee coaching centers at Mumbai under the name and style of 'Aakash Institute/Aakash IIT-JEE-Mumbai Franchise' from Mr. Aakash Chaudhry. According to the terms of the Acquisition Agreement 2, our Company acquired as a going concern with effect from April 1, 2008, the above business with its assets, staff and employees and all liabilities by issuing and allotting 179,598 equity shares of our Company of face value of ₹ 10 each, aggregating to ₹ 1,795,980, to Mr. Aakash Chaudhry. Our Company also issued and allotted to Mr. J.C. Chaudhry 450,000 equity shares of our Company of face value of ₹ 10 each, aggregating to ₹ 4,500,000, in order to discharge the liability of an unsecured loan of ₹ 4,500,000 outstanding from Mr. Aakash Chaudhry to Mr. J.C. Chaudhry on close of business on March 31, 2008.

   The Acquisition Agreement 2 restricts Mr. Aakash Chaudhry from being engaged in or having any beneficial interest in or connection with any business similar to that of our Company, or from using the name of Aakash Institute/Aakash IIT-JEE with effect from April 1, 2008. Further, our Company was required to indemnify Mr. Aakash Chaudhry for any damage or loss arising out of business conducted in the name of Aakash Institute or from execution of the Acquisition Agreement 2.

For details in relation to Acquisition Agreement 1 and Acquisition Agreement 2, see "*Capital Structure – Notes to Capital Structure – Share Capital History of our Company*" on page 67.

Guarantees by Promoters that are Selling Shareholders

As at the date of this Draft Red Herring Prospectus, our Promoter, Mr. J.C. Chaudhry, who is offering Equity Shares in the Offer for Sale, has provided the following guarantee to third parties:

1. Aakash Healthcare, our Group Company and a member of our Promoter Group, has obtained rupee term loan facilities from HDFC Bank Limited, for an aggregate principal amount not exceeding ₹ 1,729 million that is repayable by November 30, 2027 (the "**Loan Facility**"). Aakash Healthcare has also hypothecated certain assets and created an equitable mortgage on certain properties as security for such loan. The Promoters of our Company, together with Ms. Kamla Chaudhry, a Non-executive Director and member of

our Promoter Group, and Dr. Aashish Chaudhry, a member of our Promoter Group, have executed a promoter undertaking dated March 18, 2017 with Aakash Healthcare and the security trustee in relation to such Loan Facility to extend certain financial and other support to Aakash Healthcare. Pursuant to the terms of the deed of guarantee dated March 18, 2017 (the "**Deed of Guarantee**") in favor of the security trustee for the benefit of the lender, Mr. J.C. Chaudhry, our Promoter, together with Ms. Kamla Chaudhry, our Non-executive Director and Dr. Aakash Chaudhry, a member of our Promoter Group (the "**Guarantors**") have provided an unconditional and irrevocable guarantee to pay on demand all monies and discharge all payment obligations due from Aakash Healthcare under the financing documents executed in relation to the Loan Facility, when they are due for payment or discharge. The Guarantors have guaranteed the repayment of the liabilities along with interest, commission, fees, charges and all other costs and expenses incurred in relation to such Loan Facility. The guarantee is a continuing guarantee which is to remain in full force and effect until the final settlement of the loan. In accordance with the terms of the Deed of Guarantee, the Guarantors have also agreed to indemnify the secured parties for any purported obligation or liability on the part of Aakash Healthcare as though the obligation or liability were fully valid, legal and enforceable and as though the Guarantors were the principal debtors in respect thereof. Certain properties owned by Mr. J.C. Chaudhry, our Promoter, and currently leased to our Company including for operating our Owned Centers have also been mortgaged as security in relation to the Loan Facility.

Summary of Material Agreements

1. Our Company has executed a deed of assignment dated June 18, 2018 with J C Jagruti, our Group Company and a member of our Promoter Group (the "**Deed of Assignment**") pursuant to which J C Jagruti has assigned all rights, title and interest in certain trademarks, trademark applications and copyrights related to the business operations to our Company on an exclusive basis with effect from June 18, 2018, on payment of a consideration of ₹ 4.40 million as specified under the Deed of Assignment. All assignment under the Deed of Assignment will subsist in perpetuity and the assignment is not subject to any territorial restrictions.

2. Pursuant to a letter dated June 14, 2018, our Company has granted J C Jagruti a perpetual, royalty-free and non-exclusive license for use of the trademark and trade name 'AAKASH' in respect of certain business activities comprising, among others, scientific, biological, technical, technological, consulting, analysis and research services in the field of medical, clinical and healthcare services. Pursuant to the terms of this letter, J C Jagruti is not permitted to use the trade name "AAKASH" at any time for the educational or test preparatory business. J C Jagruti is however permitted to incorporate a subsidiary with such trade name or apply for a trademark comprising of the trade name and sub-license the use of the trademark and trade name 'AAKASH' to any of its group companies having the same director(s) and shareholder(s) as J C Jagruti.

3. Pursuant to a letter dated June 14, 2018, our Company has granted Aakash Healthcare a perpetual, royalty-free and non-exclusive license for use of the trademark and trade name 'AAKASH' in respect of certain business activities comprising, among others, scientific, biological, technical, technological, consulting, analysis and research services in the field of medical, clinical and healthcare services. Pursuant to the terms of this letter, Aakash Healthcare is not permitted to use the trade name "AAKASH" at any time for the educational or test preparatory business. Aakash Healthcare is however permitted to incorporate a subsidiary with such trade name or apply for a trademark comprising of the trade name. Aakash Healthcare does not have the right to sub-license the trademark and trade name "AAKASH".

OUR MANAGEMENT

Board of Directors

In accordance with our Articles of Association, our Company is required to have not more than 15 Directors. Currently, our Board comprises six Directors.

The following table sets forth details regarding our Board as at the date of this Draft Red Herring Prospectus:

S. No.	Name, DIN, Designation, Address, Occupation, Term and Nationality	Age (Years)	Other Directorships
1.	**Mr. J.C. Chaudhry** ***DIN***: 00106128 ***Designation***: Chairman cum Managing Director ***Address***: B-8, 1st Floor Vasant Marg Vasant Vihar New Delhi 110 057 India ***Occupation***: Entrepreneur ***Term***: Five years with effect from April 1, 2018 ***Nationality***: Indian	68	*Indian Companies:* • Aakash Healthcare • Chaudhry Foundations (a company with charitable objects under the Companies Act) • Destination Home • Jalaja Educational and Social Foundations (a company with charitable objects under the Companies Act) • J C Jagruti • Maa Foundations (a company with charitable objects under the Companies Act) • Quantass Associates Private Limited • Surabhi Infra *Foreign Companies*: -
2.	**Mr. Aakash Chaudhry** ***DIN***: 00106392 ***Designation***: Chief Executive Officer & Whole-time Director ***Address***: B-8, 3rd Floor Vasant Marg Vasant Vihar New Delhi 110 057 India ***Occupation***: Entrepreneur ***Term***: Five years with effect from April 1, 2018 (liable to retire by rotation) ***Nationality***: Indian	38	*Indian Companies*: • Chaudhry Foundations (a company with charitable objects under the Companies Act) • Creat Ed Private Limited • Destination Home Private Limited • Jalaja Educational and Social Foundations (a company with charitable objects under the Companies Act) • Maa Foundations (a company with charitable objects under the Companies Act) • Manya Education Private Limited • Quantass Associates Private Limited • Surabhi Infra *Foreign Companies*: -
3.	**Ms. Kamla Chaudhry** ***DIN***: 00106490 ***Designation***: Non-executive Director ***Address***: B-8, 1st Floor Vasant Marg Vasant Vihar New Delhi 110 057 India ***Occupation***: Business	68	*Indian Companies*: • Aakash Healthcare • J C Jagruti • Surabhi Infra *Foreign Companies*: -

S. No.	Name, DIN, Designation, Address, Occupation, Term and Nationality	Age (Years)	Other Directorships
	Term: Liable to retire by rotation ***Nationality***: Indian		
4.	**Dr. Pramath Raj Sinha** ***DIN***: 00279248 ***Designation***: Independent Director ***Address***: N - 154, Panchsheel Park New Delhi 110 017 India ***Occupation***: Entrepreneur ***Term***: For two years with effect from January 12, 2018 ***Nationality***: Canadian	54	*Indian Companies*: • 9.9 Group Private Limited • Bennett Coleman and Company Limited • Development Management Foundation (a company with charitable objects under the Companies Act) • Greatest Common Factor Private Limited • Harappa Learning Private Limited • Homedoc Healthcare & Technologies Private Limited • Indian School of Business (a company with charitable objects under the Companies Act) • International Foundation for Research and Education (a company with charitable objects under the Companies Act) • Kaleidoscope Entertainment Private Limited • Nayi Dhara India Foundation (a company with charitable objects under the Companies Act) • Nine Dot Nine Digital Private Limited • Nine Dot Nine Education Private Limited • Securenow Techservices Private Limited *Foreign Companies*: -
5.	**Mr. Rajesh Relan** ***DIN***: 00505611 ***Designation***: Independent Director ***Address***: 421, The Magnolias, DLF Golf Links DLF Phase-5 Gurugram 122 002 Haryana, India ***Occupation***: Professional ***Term***: For two years with effect from June 14, 2018 ***Nationality***: Indian	51	*Indian Companies*: • Bajaj Capital Limited • Cepheus Growth Opportunities Private Limited *Foreign Companies*: -
6.	**Mr. Abhishek Dalmia** ***DIN***: 00011958 ***Designation***: Independent Director ***Address***: Radha Vihar, 35-B, Prithviraj Road New Delhi 110 011 India	49	*Indian Companies*: • Aditya Infotech Limited • Ashiana Housing Limited • Avalokiteshvar Valinv Limited • Priyadarshany Agri Farms Private Limited • Rajratan Global Wire Limited • Renaissance Advanced Consultancy Limited

S. No.	Name, DIN, Designation, Address, Occupation, Term and Nationality	Age (Years)	Other Directorships
	Occupation: Business ***Term***: For two years with effect from July 4, 2018 ***Nationality***: Indian		• Renaissance Asset Management Company Private Limited • Renaissance Steel India Private Limited • Renaissance Stocks Limited • Revathi Equipment Limited • Semac Conultants Private Limited • Shogun Organics Limited • SWBI Design Informatics Private Limited • YPO South Asia Chapter (a company with charitable objects under the Companies Act) *Foreign Companies*: • Rajratan Thai Wire Company Limited

Relationship between our Directors

Ms. Kamla Chaudhry is the wife of Mr. J.C. Chaudhry. Mr. Aakash Chaudhry is the son of Mr. J.C. Chaudhry and Ms. Kamla Chaudhry. Other than the above, none of the Directors of our Company are related to each other.

Brief Biographies of our Directors

Mr. J.C. Chaudhry is the Chairman cum Managing Director of our Company. He is also one of our Promoters. He has been a Director of our Company since October 15, 2007. He was appointed as Managing Director of our Company with effect from April 1, 2008. He has been and is responsible for the overall supervision, direction and management of the Company. He holds a bachelor's degree in science from Panjab University and a bachelor's degree of education from the University of Jammu. He also holds a master's degree in science (botany) from the Birla Institute of Technology and Science at Pilani, Rajasthan. He has worked at Government (Comp.) Model Senior Secondary School, Matiala, New Delhi and Government (Comp.) Model Co-Ed Senior Secondary School, Vikaspuri, New Delhi as a principal, at Directorate of Education, Delhi Administration and Hans Raj Model School, New Delhi as a post graduate teacher in biology and at Vaish College, Bhiwani as a lecturer. He has received various awards such as the Dr. S. Radhakrishnan Memorial National Teachers Award 2002, the Person of the Year Award 2015-16 from Asia One and the World's Greatest Leaders 2015-16 – India from Asia One.

Mr. Aakash Chaudhry is the Chief Executive Officer & Whole-time Director of our Company. He is also one of our Promoters. He has been a Director of our Company since October 15, 2007 and as a Whole-time Director with effect from April 1, 2008. He was appointed as the Chief Executive Officer of our Company with effect from April 1, 2018. He has been and is responsible for the overall supervision, direction and management of our Company. He holds a bachelor's degree in engineering (computer science and engineering) from Maharshi Dayanand University, Rohtak and completed a post-graduate program in management from the Indian School of Business in Hyderabad. He has also completed the 'General Management Program' from the NUS Business School in Singapore and the 42^{nd} session of the 'Owner President Management Program' at the Harvard Business School in Boston, U.S.A. He has worked at Infosys Technologies Limited as an associate consultant and at Cognizant Technology Solutions India Private Limited as a senior business analyst.

Ms. Kamla Chaudhry is a Non-executive Director of our Company. She has been a Director of our Company since October 15, 2007. She holds a bachelor's degree in arts from Panjab University. She has also obtained a diploma in library science from Punjabi University.

Dr. Pramath Raj Sinha is an Independent Director of our Company. He has been on our Board since January 12, 2018. He holds a bachelor's degree in technology in metallurgical engineering from the Indian Institute of Technology Kanpur and a master's degree of science in engineering (mechanical engineering and applied mechanics) and a doctorate in philosophy from the University of Pennsylvania. He has worked at ABP Private Limited as its managing director and at McKinsey & Company, Inc., India.

Mr. Rajesh Relan is an Independent Director of our Company. He has been on our Board since June 14, 2018. He holds a bachelor's degree in commerce (honours course) from the University of Delhi and a master's degree in management studies from the Narsee Monjee Institute of Management Studies, University of Bombay. He was a managing director at PNB MetLife India Insurance Company Limited and as director – bancassurance and business partnerships at Aviva Life Insurance Company India Private Limited. He was awarded the Distinguished Alumnus Award - 2013 by SVKM's Narsee Monjee Institute of Management Studies, Mumbai.

Mr. Abhishek Dalmia is an Independent Director of our Company. He has been on our Board since July 4, 2018. He holds a bachelor's degree in commerce (honours course) from the University of Delhi. He is a fellow of the ICAI and an associate member of The Institute of Cost Accountants of India. He has been associated with the Renaissance Group, and with Revathi Equipment Limited as its executive chairman and with Semac Consultants Private Limited as its chairman.

Terms of Appointment of the Executive Directors

Mr. J.C. Chaudhry

Mr. J.C. Chaudhry is the Chairman cum Managing Director of our Company. He has been a Director of our Company since October 15, 2007. He was appointed as Managing Director of our Company with effect from April 1, 2008. He was last re-appointed as the Chairman cum Managing Director under the Companies Act, 2013 for a period of five years with effect from April 1, 2018 pursuant to a Board resolution dated March 1, 2018 and a resolution of our Shareholders dated March 7, 2018.

The principal terms of remuneration of Mr. J.C. Chaudhry as Chairman cum Managing Director of our Company, as set forth in the Board resolution dated March 1, 2018, a resolution of our Shareholders dated March 7, 2018 and the employment agreement dated March 1, 2018 are disclosed below.

Particulars	**Remuneration**
Salary	Basic monthly salary ₹ 4,000,000 Special allowance ₹ 400,000 **Total Monthly Salary ₹ 4,400,000** The salary will increase by at least 10% annually subject to the provisions of the Companies Act, 2013, and the rules framed thereunder.
Commission	Commission payable may not exceed 1% of the net profit of our Company, subject to provisions of the Companies Act, 2013 and the rules framed thereunder.*
Perquisites	• Club fees: Fees of two clubs, including admission and life membership fees. • Annual leave: Annual leave with pay in accordance with the leave policy of our Company. • Personal accident insurance and medical insurance: The annual premium on these policies may not exceed ₹ 100,000. • Provident fund: Our Company's contribution towards provident fund will be in accordance with the rules of our Company, but may not exceed 12% of the basic salary. • Gratuity: Gratuity is payable at the rate of half-month's salary for every completed year of service and service of six months or more will be treated as a full year.
Miscellaneous	• Car with driver: Two cars and two drivers will be provided for use in our Company's business. • Telephone and mobile phone: Free telephone at residence and a mobile phone will be provided for use in our Company's business. • Computer, laptop, tablet and data card: A computer / laptop / tablet / data card or any other device or gadget as maybe required for use in our Company's business will be provided. • The provision of car for official use, telephone at residence and mobile phone/data card will not be considered as a perquisite. • Personal security guard: One personal security guard will be provided. • Entertainment and travel expenses: Actual entertainment and travelling expenses incurred in connection with performance of our Company's business will be reimbursed. • Any other perquisite within the limits specified under the Companies Act, 2013, which are approved by our Board of Directors and which in the opinion of our Board of Directors are required for the use in our Company's business or for discharge of duties effectively.

**Pursuant to a resolution dated March 1, 2018 adopted by our Board, our Board took note of the intent of Mr. J.C. Chaudhry to not receive commission for Financial Year 2018.*

Mr. Aakash Chaudhry

Mr. Aakash Chaudhry was appointed as a Director of our Company with effect from October 15, 2007. He was last re-appointed as a Whole-time Director (liable to retire by rotation) and appointed as the Chief Executive Officer under the Companies Act, 2013 for a period of five years with effect from April 1, 2018 pursuant to a Board resolution dated March 1, 2018 and a resolution of our Shareholders dated March 7, 2018.

The principal terms of remuneration of Mr. Aakash Chaudhry as the Chief Executive Officer & Whole-time Director of our Company, as set forth in the Board resolution dated March 1, 2018, a resolution of our Shareholders dated March 7, 2018 and the employment agreement dated March 1, 2018 are disclosed below.

Particulars	**Remuneration**
Salary	Basic monthly salary ₹ 3,500,000 Special allowance ₹ 350,000 **Total Monthly Salary** **₹ 3,850,000** The salary will increase by at least 10% annually subject to the provisions of the Companies Act, 2013, and the rules framed thereunder.
Commission	Commission payable may not exceed 1% of the net profit of our Company, subject to provisions of the Companies Act, 2013 and the rules framed thereunder.*
Perquisites	• Club fees: Fees of two clubs, including admission and life membership fees. • Annual leave: Annual leave with pay in accordance with the leave policy of our Company. • Personal accident insurance and medical insurance: The annual premium on these policies may not exceed ₹ 100,000. • Provident fund: Our Company's contribution towards provident fund will be in accordance with the rules of the Company, but may not exceed 12% of the basic salary. • Gratuity: Gratuity is payable at the rate of half-month's salary for every completed year of service, and service of six months or more will be treated as a full year.
Miscellaneous	• Car with driver: Two cars and two drivers will be provided for use in our Company's business. • Telephone and mobile phone: Free telephone at residence and a mobile phone will be provided for use in our Company's business. • Computer, laptop, tablet and data card: A computer / laptop / tablet / data card or any other device or gadget as maybe required for use in our Company's business will be provided. • The provision of car for official use, telephone at residence and mobile phone/data card will not be considered as a perquisite. • Personal security guard: One personal security guard will be provided. • Entertainment and travel expenses: Actual entertainment and travelling expenses incurred in connection with the performance of our Company's business will be reimbursed. • Any other perquisite within the limits specified under the Companies Act, 2013, which are approved by our Board of Directors and which in the opinion of our Board of Directors are required for the use in our Company's business or for discharge of duties effectively.

**Pursuant to a resolution dated March 1, 2018 adopted by our Board, our Board took note of the intent of Mr. Aakash Chaudhry to not receive commission for Financial Year 2018.*

Payment or Benefit to Directors

The sitting fees/other remuneration paid to our Directors for Financial Year 2018 are as set forth below.

1. ***Remuneration to Executive Directors***

The aggregate remuneration expense (including perquisites and excluding gratuity and leave compensation) to our Company and director commission in relation to our Executive Directors during Financial Year 2018 is set forth below.

S. No.	Name of Director	Remuneration Expense in Financial Year 2018 (in ₹ million)	Director commission relating to Financial Year 2017 paid in Financial Year 2018 (in ₹ million)
1.	Mr. J.C. Chaudhry	57.74	44.50
2.	Mr. Aakash Chaudhry	50.53	44.50

2. ***Remuneration to Non-executive Directors***

(i) **Ms. Kamla Chaudhry**

Pursuant to a resolution dated January 12, 2018 adopted by our Board, Ms. Kamla Chaudhry is entitled to receive sitting fees of ₹ 50,000 for attending each meeting of our Board and ₹ 20,000 for attending each meeting of committees of our Board, and our expense in respect of sitting fees for Ms. Kamla Chaudhry during Financial Year 2018 was ₹ 1.67 million.

Pursuant to a resolution of our Board dated August 16, 2016, a commission of a sum not exceeding 4% of the net profits of the Company per annum was payable to Ms. Kamla Chaudhry, for a period of five years commencing from April 1, 2016. In supersession of this resolution, our Board has accorded approval pursuant to resolution dated March 1, 2018, to discontinue payment of such commission to Ms. Kamla Chaudhry with immediate effect. Our expense in respect of director commission and sitting fees to Ms. Kamla Chaudhry for Financial Year 2017 was ₹ 46.10 million. Such director commission to Ms. Kamla Chaudhry was paid in Financial Year 2018.

(ii) **Dr. Pramath Raj Sinha**

Pursuant to a letter of appointment dated January 12, 2018, and resolutions dated June 14, 2018 and June 18, 2018 adopted by our Board and our Shareholders, respectively, Dr. Pramath Raj Sinha is entitled to receive sitting fees of ₹ 50,000 for attending each meeting of our Board and ₹ 20,000 for attending each meeting of committees of our Board.

Our Board and Shareholders have accorded approval pursuant to resolutions dated June 14, 2018 and June 18, 2018, respectively, for Dr. Pramath Raj Sinha to receive an annual commission as will be decided by our Board, of a sum not exceeding ₹ 0.75 million.

Our expense in respect of sitting fees for Dr. Pramath Raj Sinha during Financial Year 2018 was ₹ 0.12 million and our expense in respect of commission to Dr. Pramath Raj Sinha for Financial Year 2018 was ₹ 0.16 million.

(iii) **Mr. Rajesh Relan**

Pursuant to a letter of appointment dated June 14, 2018 and resolutions dated June 14, 2018 and June 18, 2018 adopted by our Board and our Shareholders, respectively, Mr. Rajesh Relan is entitled to receive sitting fees of ₹ 50,000 for attending each meeting of our Board and ₹ 20,000 for attending each meeting of committees of our Board.

Pursuant to a letter of appointment dated June 14, 2018 and resolutions dated June 14, 2018 and July 14, 2018 adopted by our Board and Shareholders, respectively, Mr. Rajesh Relan may receive an annual commission as will be decided by our Board, of a sum not exceeding ₹ 0.75 million.

(iv) **Mr. Abhishek Dalmia**

Pursuant to a letter of appointment dated July 4, 2018 and resolutions dated July 4, 2018 adopted by our Board and our Shareholders, Mr. Abhishek Dalmia is entitled to receive sitting fees of ₹ 50,000 for attending each meeting of our Board and ₹ 20,000 for attending each meeting of committees of our Board.

Pursuant to a letter of appointment dated July 4, 2018 and resolutions dated July 4, 2018 and July 14, 2018, adopted by our Board and Shareholders, respectively, Mr. Abhishek Dalmia may receive an annual commission as will be decided by our Board, of a sum not exceeding ₹ 0.75 million.

Shareholding of our Directors in our Company

Our Directors do not hold any qualification shares in our Company.

Except as disclosed in "*Capital Structure – Notes to Capital Structure – Details of the Shareholding of our Directors and Key Management Personnel*" on page 74, none of our Directors hold Equity Shares in our Company as at the date of filing of this Draft Red Herring Prospectus.

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others

None of our Directors have been appointed as a Director or member of senior management pursuant to any arrangement or understanding with major Shareholders or others.

There are no contracts appointing or fixing the remuneration of the Directors of our Company entered into within, or prior to the two years immediately preceding the date of this Draft Red Herring Prospectus other than as disclosed in "*– Terms of Appointment of the Executive Directors*" and "*– Payment or Benefit to Directors – Remuneration to Non-executive Directors*" on pages 163 and 165, respectively.

Interest of Directors

1. All Directors may be deemed to be interested to the extent of (i) sitting fees, if any, payable to them for attending meetings of our Board or its committees and other remuneration (including commission) payable or reimbursement of expenses to them, (ii) Equity Shares and stock options, if any, already held by them or their relatives or any firms, companies, HUFs and trusts in which our Directors are interested as a director, member, partner, *karta* or trustee, in our Company, or that may be Allotted to them pursuant to the Offer in terms of the Red Herring Prospectus and any dividend payable to them and other benefits arising out of such shareholding, (iii) transactions entered into in the ordinary course of business with companies in which our Directors hold directorship, and (iv) their directorship on the board of directors of, and/or their shareholding in our Company and our Group Companies. For details regarding shareholding of our Directors, see "*Capital Structure – Notes to Capital Structure – Details of the Shareholding of our Directors and Key Management Personnel*" on page 74. For details relating to payments made to our Promoters for current and proposed lease arrangements with our Company, see "*Our Promoters and Promoter Group – Payment of Benefits to our Promoters or Promoter Group – Lease Arrangements with Promoters*" on page 178.

2. Our Company has not entered into any service contracts pursuant to which our Directors are entitled to benefits upon termination of their employment.

3. There are no loans that have been availed by our Directors from our Company that are outstanding as at the date of this Draft Red Herring Prospectus.

4. Except as disclosed in "*Our Promoters and Promoter Group – Payment of Benefits to our Promoters or Promoter Group – Lease Arrangements with Promoters*" on page 178, there are no loans or advances made by our Company to our Directors as at the date of this Draft Red Herring Prospectus.

5. None of the beneficiaries of loans, advances or sundry debtors of our Company are related to our Company, our Promoters or our Directors other than as disclosed in "*Our Promoters and Promoter Group – Payment of Benefits to our Promoters or Promoter Group – Lease Arrangements with Promoters*" on page 178.

6. None of our Directors is a party to any bonus or profit sharing plan by our Company other than as disclosed in "*– Terms of Appointment of the Executive Directors*" on page 163.

7. Except Mr. J.C. Chaudhry and Mr. Aakash Chaudhry who are Promoters of our Company, our Directors do not have any interest in the promotion of our Company.

8. Except as disclosed in "*Our Promoters and Promoter Group – Payment of Benefits to our Promoters or Promoter Group*" on page 178, our Directors have no interest in any property acquired or leased by our Company within the two years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as at the date of this Draft Red Herring Prospectus.

9. Our Directors are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Directors or to such firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

10. None of our Directors have any interest in our business or in any transaction by our Company for the acquisition of land, construction of building or supply of any goods, except as disclosed in "*Our Promoters and Promoter Group – Payment of Benefits to our Promoters or Promoter Group*", "*Related Party Transactions*" and "*Financial Statements*", on pages 178, 187 and 189, respectively.

Confirmations

a. None of our Directors is or was a director of any listed company whose shares have been or were suspended from being traded on the BSE or the NSE in the five years immediately preceding the date of filing of this Draft Red Herring Prospectus.

b. None of our Directors is or was a director of any listed company that has been or was delisted from any stock exchange.

Changes in our Board during the Last Three Years

The changes in our Board of Directors in the three immediately preceding years are as set forth below.

S.No.	Name	Date of Appointment	Reason for change*
1.	Mr. Abhishek Dalmia	July 4, 2018	Appointment as Independent Director
2.	Mr. Rajesh Relan	June 14, 2018	Appointment as Independent Director
3.	Mr. Aakash Chaudhry	April 1, 2018	Re-appointment as Whole-time Director and appointment as Chief Executive Officer
4.	Mr. J.C. Chaudhry	April 1, 2018	Re-appointment as Chairman cum Managing Director
5.	Dr. Pramath Raj Sinha	January 12, 2018	Appointment as Independent Director

**The above-mentioned changes to our Board in the past three years do not include regularization of Directors by our Shareholders.*

Borrowing Powers of our Board

In accordance with the Articles of Association and the provisions of the Companies Act, the authorization of our Shareholders is required to borrow such sum or sums of money, where the money to be borrowed together with the money already borrowed by our Company, apart from the temporary loans obtained from the Company's bankers in the ordinary course of business and remaining outstanding and undischarged, will exceed the aggregate of the paid-up share capital of our Company, the securities premium account and its free reserves (not being reserves set apart for any specific purpose). As on the date of filing this Draft Red Herring Prospectus, our borrowings have not exceeded the aggregate of the paid-up share capital of the Company, the securities premium and free reserves that do not constitute reserves set apart for any specific purpose. We may consider obtaining the necessary authorization from our Shareholders, if deemed necessary.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the corporate governance requirements of the SEBI Listing Regulations and the Companies Act, particularly in relation to constitution of our Board and the committees thereof.

Currently, our Board has six Directors. In compliance with the requirements of the SEBI Listing Regulations, our Board comprises two Executive Directors and one Non-executive Director who is a woman Director and three Independent Directors.

Committees of the Board

In addition to the committees of our Board described below, our Board may constitute committees for various functions from time to time.

Audit Committee

The members of our Audit Committee are:

1. Mr. Abhishek Dalmia (Chairperson);
2. Dr. Pramath Raj Sinha; and
3. Ms. Kamla Chaudhry.

The Audit Committee was constituted by our Board pursuant to a resolution dated July 4, 2018. The terms of reference of the Audit Committee were approved by our Board pursuant to a resolution dated July 4, 2018.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as set forth below.

a. Overseeing the Company’s financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

b. Recommending to the Board, the appointment, re-appointment and replacement, remuneration and terms of appointment of the auditors of the Company;

c. Reviewing and monitoring the auditors’ independence and performance and the effectiveness of the audit process;

d. Monitoring the end-use of funds raised through public offers and related matters;

e. Approving payments to the statutory auditors for any other services rendered by statutory auditors;

f. Reviewing with the management, the annual financial statements and auditor’s report thereon before submission to the Board for approval, with particular reference to:

    i. matters required to be stated in the Directors’ responsibility statement to be included in the Board’s report in terms of Section 134(3)(c) of the Companies Act;

    ii. changes, if any, in accounting policies and practices and reasons for such changes;

iii. major accounting entries involving estimates based on the exercise of judgment by management;

iv. significant adjustments made in the financial statements arising out of audit findings;

v. compliance with listing and other legal requirements relating to financial statements;

vi. disclosure of any related party transactions; and

vii. qualifications and modified opinion(s) in the draft audit report;

g. Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

h. Scrutiny of inter-corporate loans and investments;

i. Valuation of undertakings or assets of the Company, wherever it is necessary;

j. Evaluation of internal financial controls and risk management systems;

k. Approval or any subsequent modification of transactions of the Company with related parties, subject to the conditions as may be prescribed;

l. 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

m. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances, with the chairperson directly hearing grievances of victimization of the employees, directors and/or other persons who used vigil mechanism to report genuine cases in appropriate and exceptional cases;

n. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

o. 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;

p. Discussing with internal auditors on any significant findings and follow-up thereon;

q. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

r. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

s. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

t. Approval of appointment of the chief financial officer (after assessing the qualifications, experience and background, etc. of the candidate);

u. Reviewing the functioning of the whistle blower mechanism;

v. Ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;

w. Performing such other functions as may be delegated by our Board and/or prescribed under the SEBI Listing Regulations, the Companies Act or other applicable law; and

x. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers of the Audit Committee include the following:

a. To investigate activity within its terms of reference or such other matter as may be referred to it by our Board;

b. To seek information from any employees;

c. To obtain outside legal or other professional advice; and

d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

a. Management's discussion and analysis of financial condition and result 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;

e. The appointment, removal and terms of remuneration of the chief internal auditor; and

f. Statement of deviations:

    i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

    ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

The Audit Committee is required to meet at least four times in a year with a maximum interval of 120 days between two meetings in accordance with the SEBI Listing Regulations. The Audit Committee has the authority to investigate into any matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by our Board for such purpose.

Nomination, Remuneration & Compensation Committee

The members of the Nomination, Remuneration & Compensation Committee are:

1. Mr. Rajesh Relan (Chairperson);
2. Dr. Pramath Raj Sinha;
3. Mr. J. C. Chaudhry; and
4. Ms. Kamla Chaudhry.

The Nomination, Remuneration & Compensation Committee was constituted by our Board pursuant to a resolution dated June 14, 2018. The terms of reference of the Nomination, Remuneration & Compensation Committee were adopted by our Board pursuant to a resolution dated June 14, 2018.

The scope and functions of the Nomination, Remuneration & Compensation Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations and its terms of reference are as disclosed below.

a. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees while ensuring that;

   i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

b. Formulating the criteria for evaluation of independent directors and our Board, its committees and individual Directors;

c. Devising a policy on diversity of the Board;

d. Identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal;

e. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors;

f. Determining the Company's policy on specific remuneration packages for Executive Directors and recommending remuneration of such Directors and any increase therein from time to time, within the limit approved by the members of the Company;

g. Recommending remuneration to Non-executive Directors in the form of sitting fees for attending meetings of the Board and its Committees, remuneration for other services, commission on profits;

h. Engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;

i. Monitoring, administering, superintending and implementing the Aakash ESOP Scheme;

j. Performing such administrative and supervisory functions as are required to be performed by the compensation committee under the SEBI SBEB Regulations; and

k. Performing such other functions as may be delegated by our Board and/or prescribed under the SEBI Listing Regulations, the SEBI SBEB Regulations, the Companies Act and the rules and regulations made thereunder, each as amended or other applicable law.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Mr. Rajesh Relan (Chairperson);
2. Mr. J.C. Chaudhry; and
3. Mr. Aakash Chaudhry.

The Stakeholders' Relationship Committee was constituted by our Board pursuant to a resolution dated June 14, 2018. The terms of reference of the Stakeholders' Relationship Committee were approved by our Board pursuant to a resolution dated June 14, 2018.

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the

Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations and its terms of reference are as disclosed below.

a. Considering and redressing of grievances of Shareholders, debenture holders and the other security holders of the Company, including complaints in respect of allotment of shares, transfer of shares, non-receipt of annual report and non-receipt of declared dividends; and

b. Performing such other functions as may be delegated by our Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Mr. J.C. Chaudhry (Chairperson);
2. Mr. Aakash Chaudhry; and
3. Dr. Pramath Raj Sinha.

The Corporate Social Responsibility Committee was constituted by our Board pursuant to a resolution dated April 3, 2014 and last reconstituted on June 14, 2018. The terms of reference of the Corporate Social Responsibility Committee were last approved by our Board pursuant to a resolution dated June 14, 2018.

The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013 and the applicable rules thereunder and its terms of reference are as disclosed below.

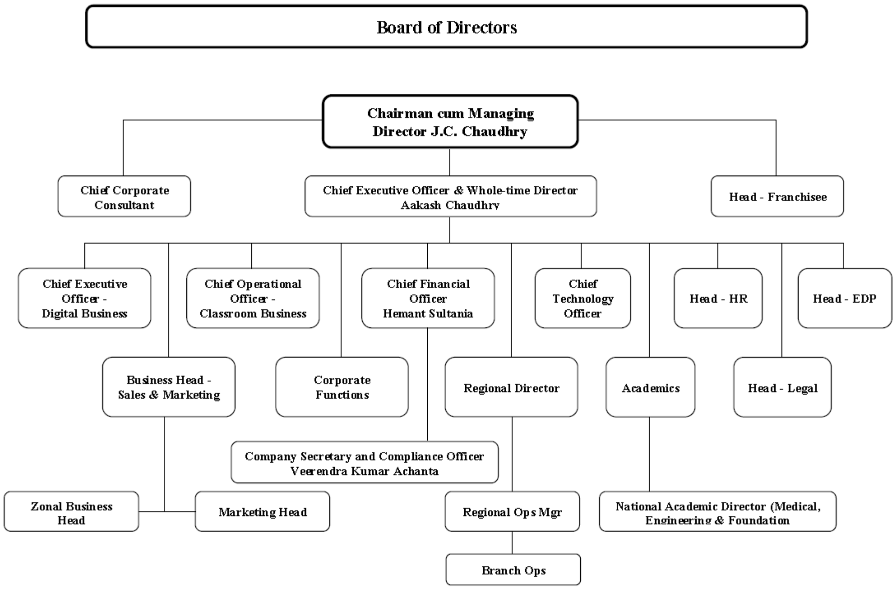
a. Formulating and recommending to our Board the corporate social responsibility ("**CSR**") policy of our Company, including any amendments thereto, in accordance with Schedule VII of the Companies Act, 2013;

b. Recommending the amount of expenditure to be incurred on CSR activities;

c. Reviewing and monitoring the implementation of CSR policy of our Company; and

d. Performing such other duties and functions as our Board may require the Corporate Social Responsibility Committee to undertake to promote the CSR activities of our Company.

Management Organization Structure



Key Management Personnel of our Company

In addition to Mr. J.C. Chaudhry, the Chairman cum Managing Director and Mr. Aakash Chaudhry, the Chief Executive Officer & Whole-time Director, the Key Management Personnel of our Company as at the date of this Draft Red Herring Prospectus are as set forth below. For details of the profiles of Mr. J.C. Chaudhry and Mr. Aakash Chaudhry, see "– *Brief Biographies of our Directors*" on page 162.

Mr. Hemant Sultania, aged 46 years, is the Chief Financial Officer of our Company and joined our Company on July 30, 2015. He holds a bachelor's degree in commerce from the University of Calcutta. He is an associate member of the ICAI and an associate member of The Institute of Company Secretaries of India. Mr. Hemant Sultania has experience in the field of finance and accounts and prior to joining our Company, he was associated with Bata India Limited as vice-president (finance), Dr Lal Path Labs Limited and Vaibhav Global Limited as chief financial officer and with S.R. Batliboi & Co. During Financial Year 2018, the total salary paid and payable by our Company to Mr. Hemant Sultania was ₹ 15.09 million (including perquisites and excluding gratuity and leave compensation).

Mr. Veerendra Kumar Achanta, aged 44 years, is the Company Secretary and Compliance Officer of our Company and joined our Company on June 19, 2018. He holds a bachelor's degree in law from Osmania University and a bachelor's degree in business management (accounting and finance) from the Faculty of Commerce and Management Studies, Andhra University. He is a fellow of The Institute of Company Secretaries of India. Prior to joining our Company, he has been the company secretary at Lanco Infratech Limited and Krebs Biochemicals & Industries Limited. Mr. Veerendra Kumar Achanta has not been paid any remuneration in Financial Year 2018, since he joined our Company on June 19, 2018.

All Key Management Personnel are permanent employees of our Company.

Except as stated in "– *Relationship between our Directors*" on page 162, none of our Key Management Personnel are related to each other.

Shareholding of Key Management Personnel

Except as disclosed in "*Capital Structure – Notes to Capital Structure – Details of the Shareholding of our Directors and Key Management Personnel*" on page 74, none of our Key Management Personnel hold Equity Shares in our Company as at the date of filing of this Draft Red Herring Prospectus.

Loans to Key Management Personnel

There is no amount outstanding as at the date of this Draft Red Herring Prospectus under any loan given by our Company to the benefit of any Key Management Personnel.

Bonus or Profit Sharing Plan of our Key Management Personnel

None of our Key Management Personnel is a party to any bonus or profit sharing plan by our Company other than as disclosed in "– *Terms of Appointment of the Executive Directors*" on page 163. However, pursuant to the terms of Mr. Hemant Sultania's letter of appointment dated May 2, 2015, his salary includes an annual variable pay-performance incentive of ₹ 1.50 million and an annual perks and benefit package valued at ₹ 0.50 million.

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Management Personnel were selected as members of our senior management.

Interest of Key Management Personnel

Except as disclosed in "– *Interest of Directors*" on page 166 in relation to Mr. J.C. Chaudhry and Mr. Aakash Chaudhry, and in relation to Mr. Hemant Sultania, the Equity Shares and stock options held by him and any dividend payable in relation thereof and other benefits arising out of his shareholding in our Company and his interest as a director and shareholder in Garymuskan Estate Private Limited and Vidhman Estate Private Limited, our Group Companies, with which we have related party transactions as disclosed in "*Related Party Transactions*" on page 187, our Key Management Personnel do not have any interest in our Company, other than to the extent of the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business. For details of shareholding of and stock options held by Mr. Hemant Sultania, see "*Capital Structure – Notes to Capital Structure – Details of the shareholding of our Directors and Key Management Personnel*" and "*Capital Structure – Notes to Capital Structure – Aakash ESOP Scheme*" on pages 74 and 75, respectively. Our Company has not entered into any service contracts pursuant to which our Key Management Personnel are entitled to benefits upon termination of their employment.

Contingent and deferred compensation payable to Key Managerial Personnel

There is no deferred or contingent compensation payable to any of our Key Management Personnel.

Changes in the Key Management Personnel during the Last Three Years

The changes in the key management personnel in the three immediately preceding years are as set forth below:

S. No.	Name	Date of Change	Reason for Change
1.	Mr. Veerendra Kumar Achanta	June 19, 2018	Appointment as Company Secretary
2.	Mr. Sarvesh Yadav	June 18, 2018	Resignation as Company Secretary
3.	Mr. Sarvesh Yadav	March 16, 2017	Appointment as Company Secretary
4.	Mr. Nitin Dwivedi	January 18, 2017	Resignation as Company Secretary
5.	Mr. Nitin Dwivedi	March 26, 2016	Appointment as Company Secretary
6.	Mr. Vikas Kumar Sharma	November 7, 2015	Resignation as Company Secretary

7.	Mr. Hemant Sultania	July 30, 2015	Appointment as Chief Financial Officer

For details of appointment of Mr. J.C. Chaudhry and Mr. Aakash Chaudhry, see " - *Changes in our Board during the Last Three Years*" on page 167.

Payment or Benefit to Officers of our Company

Except as disclosed below, no amount or benefit has been paid or given within the preceding two years or is intended to be paid or given to any officers of our Company, including any of our Directors or Key Management Personnel, other than normal remuneration (including sitting fees and commissions) for services rendered as officers of our Company and other than as disclosed in "*Our Promoters and Promoter Group*", "*Related Party Transactions*" and "*Financial Statements*", on pages 176, 187 and 189, respectively:

Mr. Jai Dayal Chaudhry, a member of our Promoter Group and brother of Mr. J.C. Chaudhry and uncle of Mr. Aakash Chaudhry, is engaged as a Chief Corporate Consultant with our Company. Pursuant to the terms of the agreement dated December 1, 2016 executed with our Company, Mr. Jai Dayal Chaudhry has been engaged from December 1, 2016 to November 30, 2018 at a monthly remuneration of: (a) ₹ 550,000 from December 1, 2016 to March 31, 2017, (b) ₹ 675,000 from April 1, 2017 to March 31, 2018 and (c) ₹ 750,000 from April 1, 2018 to November 30, 2018.

Employee Stock Option/Purchase Schemes

For details of stock options granted to our employees, see "*Capital Structure – Notes to Capital Structure – Aakash ESOP Scheme"* on page 75.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

Mr. J.C. Chaudhry and Mr. Aakash Chaudhry are the Promoters of our Company.

Details of our Promoters

Mr. J.C. Chaudhry is our Chairman cum Managing Director. For a complete profile of Mr. J.C. Chaudhry, *i.e.*, his age, residential address, educational qualifications, professional experience, positions/posts held in the past and other directorships and special achievements, see "*Our Management*" on page 160.

Mr. J.C. Chaudhry holds 60,018,060 Equity Shares in our Company. For further details of Mr. J.C. Chaudhry's shareholding in our Company, see "*Capital Structure – Notes to Capital Structure - Details of Build-up, Contribution and Lock-in of Promoters' Shareholding*" on page 69.

Mr. J.C. Chaudhry's voter identification number is NLN0827410 and driving license number is DL-1219950040902.

Other than as disclosed in " – *Promoter Group*", "*Our Management*" and "*Our Group Companies*" on pages 176, 160 and 181, respectively, Mr. J.C. Chaudhry is not involved in any other venture.

Mr. Aakash Chaudhry is the Chief Executive Officer & Whole-time Director of our Company. For a complete profile of Mr. Aakash Chaudhry, *i.e.*, his age, residential address, educational qualifications, professional experience, positions/posts held in the past and other directorships and special achievements, see "*Our Management*" on page 160.

Mr. Aakash Chaudhry holds 2,691,322 Equity Shares in our Company. For further details of Mr. Aakash Chaudhry's shareholding in our Company, see "*Capital Structure – Notes to Capital Structure - Details of Build-up, Contribution and Lock-in of Promoters' Shareholding*" on page 69.

Mr. Aakash Chaudhry's voter identification number is KKF0657833 and driving license number is DL12 19970064877.

Other than as disclosed in " – *Promoter Group*", "*Our Management*" and "*Our Group Companies*" on pages 176, 160 and 181, respectively, Mr. Aakash Chaudhry is not involved in any other venture.

Our Company confirms that the permanent account number, bank account number and passport number of each of the Promoters will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with them.

Promoter Group

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

Individuals Forming Part of the Promoter Group

1. Dr. Aashish Chaudhry
2. Mr. Aayaan Chaudhry
3. Ms. Aerika Chaudhry
4. Mr. Arvind Saraswat

5. Ms. Asha Taneja
6. Mr. Bishambar Nath Gauba
7. Mr. Gobind Lal Gauba
8. Mr. Jai Dayal Chaudhry
9. Ms. Kamla Chaudhry
10. Ms. Kumud Saraswat
11. Dr. Meinal Chaudhry
12. Ms. Neetu Chaudhry
13. Mr. P.D. Chaudhry
14. Ms. Pushpa Devi Arora
15. Ms. Sarla Saluja
16. Ms. Shakuntala Devi Sethi
17. Mr. Vikram Saraswat
18. Mr. Yudhishter Kumar Gauba

Entities Forming Part of the Promoter Group

1. Aakash Healthcare
2. B.A. Solutions India Private Limited
3. Creat Ed Private Limited
4. Destination Home
5. J C Jagruti
6. Mobile Health Technologies India Private Limited
7. Quantass Associates Private Limited
8. Surabhi Infra
9. Aashiana Trust
10. Jay Trust
11. Jay Cee Trust
12. Jay Kay Trust
13. Mahaadev Trust
14. Chaudhry Foundations
15. Jalaja Educational and Social Foundations
16. Maa Foundations
17. Aerika Cineworks
18. Kamal Dairy

For details of the shareholding of the members of our Promoter Group in our Company and various confirmations in relation to the members of our Promoter Group, see "*Capital Structure – Details of the Shareholding of our Promoters and members of our Promoter Group*" and "*Other Regulatory and Statutory Disclosures*" on pages 74 and 310, respectively.

Interest of Promoters

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company, (ii) of the Equity Shares held by them or their relatives in our Company, and dividend payable, if any, and other distributions in respect of the Equity Shares held by them or their relatives, (iii) in case of Mr. J.C. Chaudhry, of being our Chairman cum Managing Director and the compensation and perquisites payable in such capacity, (iv) in case of Mr. Aakash Chaudhry, of being the Chief Executive Officer & Whole-time Director of our Company and the compensation and perquisites payable in such capacity, (v) any transactions or business arrangements undertaken by our Company with our Promoters, or their relatives or entities in which our Promoters hold shares or entities in which our Promoters are members of the board of directors or firms in which relatives of our Promoters hold interest. For details regarding the shareholding of our Promoters and the members of our Promoter Group in our Company, see *"Capital Structure*" and "*Our Management*" on pages 66 and 160, respectively, and for business transactions between our Promoters and the Promoter Group, see "*History and Certain Corporate Matters – Summary of Material Agreements*" and *"Related Party Transactions*" on pages 159 and 187, respectively.

Except as disclosed in "– *Payment of Benefits to our Promoters or Promoter Group*" on page 178 and in "*Related Party Transactions*" and "*Financial Statements*"on pages 187 and 189, respectively, our Promoters have no interest in any property acquired within the two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce them to become or to qualify them as a director or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

Except as disclosed in "*Related Party Transactions*" and "*Financial Statements*" on pages 187 and 189, respectively, our Promoters are not related to any of the sundry debtors of our Company or beneficiaries of loans and advances availed by our Company.

Common Pursuits

Our Promoters do not have any other interest in any venture that is involved in any activities similar to those conducted by our Company:

Payment of Benefits to our Promoters or Promoter Group

Except as disclosed below and in "*History and Certain Corporate Matters – Summary of Material Agreements*" "*Our Management*", "*Related Party Transactions*" and "*Financial Statements*" on pages 159, 160, 187 and 189, respectively, there has been no payment of benefits to our Promoters or the members of our Promoter Group during the two years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters or the members of our Promoter Group.

Sale of property to Mr. J.C. Chaudhry

Pursuant to the approval of our Board and our Shareholders by resolutions dated March 30, 2017 and April 4, 2017, respectively, our Company has sold the property situated at N-11, South Extension, Part I, New Delhi to Mr. J.C. Chaudhry, our Promoter for a consideration of ₹ 401.00 million (based on an independent valuation report) pursuant to a sale deed dated April 11, 2017.

Lease Arrangements with Promoters

Our Company has recently entered into revised lease arrangements with Mr. J.C. Chaudhry, our Promoter, each for a duration of nine years effective from April 1, 2018 with a lock-in period of 36 months, in respect of certain premises used for our business operations. The security deposit in relation to these lease arrangements is six times the monthly rent that is payable in the first year of the lease. All such lease agreements contain a rent escalation clause pursuant to which our Company is subject to an increase of rent of 15% at the end of every three years. The following are the lease arrangements entered into with Mr. J. C. Chaudhry which are valid as at the date of this Draft Red Herring Prospectus:

S. No.	Date of lease agreement	Location of property	Current monthly lease rental (₹)	Purpose
1.	June 19, 2018	Basement, Ground Floor, 1st Floor, 2nd Floor and 3rd Floor, No. A-1/18, Janakpuri, New Delhi 110 058, India	1,994,288	Owned Center
2.	June 19, 2018	Basement, Stilt Floor, Ground Floor, 1st Floor and 2nd Floor, No.A-1/21, Janakpuri, New Delhi 110 058, India	2,981,533	Owned Center
3.	June 25, 2018	Basement, Stilt Floor, Ground Floor, 1st Floor, 2nd Floor and 3rd Floor, Aakash Tower, Plot No.8, Pusa Road, New Delhi 110 005, India	5,744,623	Registered Office and corporate office
4.	June 19, 2018	Stilt Floor, Ground Floor, 1st Floor, 2nd Floor and 3rd Floor, Plot No. RZ-17, Block -B, Sewak Park, Uttam Nagar, New Delhi 110 059, India	316,230	Warehouse

S. No.	Date of lease agreement	Location of property	Current monthly lease rental (₹)	Purpose
5.	June 19, 2018	Stilt Floor, Ground Floor, 1st Floor, 2nd Floor and 3rd Floor, Plot No. RZ-18, Block -B, Sewak Park, Uttam Nagar, New Delhi 110 059, India	316,230	Warehouse
6.	June 20, 2018	Basement, Ground Floor, 1st Floor and 2nd Floor, No. K-11, South Extension Part - I, New Delhi 110 049 , India	676,651	Owned Center
7.	June 20, 2018	Basement, Ground Floor, 1st Floor and 2nd Floor, No. K-12, South Extension Part - I, New Delhi 110 049, India	651,513	Owned Center
8.	June 21, 2018	No. D-15, 3rd Floor, South Extension Part – II, New Delhi 110 049, India	854,699	Owned Center
9.	June 20, 2018	Basement, Stilt Floor, Ground Floor, 1st Floor, 2nd Floor and 3rd Floor, N-10, South Extension Part - I, New Delhi 110 049, India	5,982,771	Owned Center
10.	June 20, 2018	Basement, Stilt Floor, Ground Floor, 1st Floor, 2nd Floor and 3rd Floor, N-11, South Extension Part - I, New Delhi 110 049, India	5,984,563	Owned Center
11.	June 21, 2018	2nd Floor and 3rd Floor, Aakash Tower, Plot No.4, MLU, Sector 11, Dwarka, New Delhi 110 075, India	1,518,457	Owned Center
12.	July 7, 2018	Nos.216 - 221, 2nd Floor, Om Tower, B-5 Alfa Commercial Belt, Alfa-I, Greater Noida 201 310, India	78,025	Owned Center
13.	July 7, 2018	K-4, 4th Floor, Ocean Heights, Sector-18, Noida 201 301, India	234,890	Owned Center
14.	July 7, 2018	N-10, 2nd Floor and 3rd Floor, Sector-18, Noida 201 301, India	171,830	Owned Center
15.	July 7, 2018	N-11, 2nd Floor and 3rd Floor, Sector-18, Noida 201 301, India	154,880	Owned Center
16.	July 11, 2018	Commercial Hall, No.8, 2nd Floor, Parshvnath Plaza, Court Road, Saharanpur, Uttar Pradesh 247 001, India	152,464	Owned Center
17.	July 4, 2018	2nd Floor, 3rd Floor and part of 4th Floor, 424, Rajpur Road – I, Old No.81, Rajpur Road, Dehradun, Uttarakhand 248 001, India	947,197	Owned Center

Our Company has also entered into the following lease arrangements with our Promoters in the last two years, which are no longer valid as at the date of this Draft Red Herring Prospectus:

S. No.	Location of property	Date of termination of lease arrangement	Purpose
	Lessor: Mr. J.C. Chaudhry		
1.	2nd and 3rd Floor, B-8, Vasant Marg, Vasant Vihar, New Delhi 110 057, India	September 30, 2016	Residential accommodation provided for Mr. Aakash Chaudhry by our Company
2.	No. B-1/73, Sewak Park, Uttam Nagar, New Delhi 110 059, India	November 16, 2017	Warehouse
3.	No.6, Amar Enclave, Mohan Garden, New Delhi 110 059, India	December 1, 2017	Warehouse and Guesthouse
4.	Basement, Ground Floor, 1st Floor and part of 4th Floor, Municipal New No. 424, Rajpur Road-1, Old No. 81, Rajpur Road, Dehradun, Uttarakhand 248 001, India	January 11, 2018	Owned Center
5.	Nos. 733-734, International Infotech Park, Vashi, Navi Mumbai 400 705, India	April 1, 2018	Warehouse
6.	1st Floor, No. 4, Aakash Tower, MLU, Sector 11, Dwarka, New Delhi 110 075, India	September 30, 2016	Previous registered office of our Company
7.	2nd Floor and 3rd Floor, No. 4, Aakash Tower, MLU, Sector 11, Dwarka, New Delhi 110 075, India	September 30, 2016	Previous registered office of our Company
	Lessor: Mr. Aakash Chaudhry		
1.	Office No.6, 6th Floor, Sunshine Tower, Senapati Bapat Marg, Dadar (West), Mumbai 400 013	July 1, 2018	Regional office of our Company

For further details in relation to our Company's lease arrangements with our Promoters, see "*Related Party Transactions*" and "*Our Business – Property*" on pages 187 and 150, respectively.

Proposed Lease Arrangement with Mr. J.C. Chaudhry: Mr. J.C. Chaudhry, our Promoter and the Company have also executed a memorandum of understanding dated February 18, 2017 (the "**February 2017 MoU**") and a memorandum of understanding dated August 17, 2017 (the "**August 2017 MoU**", and together with the February 2017 MoU, the "**2017 MoUs**") pursuant to which the Company has agreed to lease the property at No. 32, Pusa Road, Karol Bagh, New Delhi 110 005 from Mr. J.C. Chaudhry for a duration of nine years. Pursuant to the terms of the 2017 MoUs, the Company will provide the layout plan for construction of certain floors at the premises and Mr. J.C. Chaudhry is required to execute these requirements. The monthly rental for these premises contemplated under the 2017 MoUs is an aggregate sum of ₹ 4.00 million with a rent escalation of 7% p.a. The security deposit payable in relation to these lease arrangements is an aggregate sum of ₹ 30.00 million. The Company has paid an aggregate sum of ₹ 2.20 million as token money pursuant to the 2017 MoUs and this amount is subject to adjustment against the security deposit. For further details in relation to such payment made by our Company to Mr. J.C. Chaudhry, see "*Related Party Transactions*" on page 187. Our Company has not yet executed a lease agreement with Mr. J.C. Chaudhry in relation to the above-mentioned property.

Our Company has not entered into any contract, agreement or arrangements during the two years immediately preceding the date of this Draft Red Herring Prospectus and does not propose to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made other than as stated above and in "*Our Management*" and "*Related Party Transactions*" on pages 160 and 187, respectively.

Litigation involving our Promoters

Except as disclosed in "*Outstanding Litigation and Material Developments – Litigation involving our Promoters*" on page 304, there is no litigation or regulatory action involving our Promoters.

Confirmations

None of our Promoters have been declared as Wilful Defaulters. Further, there are no violations of securities laws committed by any of our Promoters in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters and members of our Promoter Group have been debarred from accessing the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

Except for certain trademarks, trademark applications and copyrights owned by J C Jagruti, our Group Company and a member of our Promoter Group, which have been assigned and transferred to our Company pursuant to the Deed of Assignment, our Promoters are not interested in any other entity which holds any other intellectual property rights that are used by our Company. As at the date of this Draft Red Herring Prospectus, our Company has applied to the Registrar of Trademarks to reflect assignment of certain of such trademarks which applications are currently pending. For further details in relation to the Deed of Assignment, see "*History and Certain Corporate Matters – Summary of Material Agreements*" on page 159.

Companies with which our Promoters have disassociated in the Last Three Years

Neither of our Promoters has disassociated himself from any company during the three years immediately preceding the date of filing this Draft Red Herring Prospectus.

Change in the Management and Control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company in the five years immediately preceding the date of filing this Draft Red Herring Prospectus.

OUR GROUP COMPANIES

Pursuant to a resolution dated July 9, 2018 of our Board, our Board has noted that in accordance with the SEBI ICDR Regulations, the following companies will be considered our Group Companies: (i) companies which constitute part of related parties of our Company under applicable accounting standards Indian Accounting Standard (Ind-AS 24) on the basis of the Restated Financial Information disclosed in "*Financial Statements*" on page 189, and (ii) other companies considered material by our Board. The resolution dated July 9, 2018 adopted by our Board specifies that a company is considered material for the purpose of disclosure as a group company in any Offer Document relating to the Offer if the following conditions are met: companies which, (i) are a member of the Promoter Group and with whom our Company has entered into one or more transactions in Fiscal Year 2018 that, individually or cumulatively, exceed 10% of the total revenues of our Company for Fiscal Year 2018, and/or (ii) subsequent to the date of the latest restated financial information included in the Offer documents, would require disclosure in the Restated Financial Information of our Company in the current Financial Year as entities covered under Ind-AS 24, in addition to or other than those companies covered under Ind AS-24 in the Restated Financial Information.

Based on the above, the following companies are our Group Companies:

1. Aakash Healthcare;
2. J C Jagruti;
3. Surabhi Infra & Management Services Limited;
4. Destination Home Private Limited;
5. Vidhman Estate Private Limited; and
6. Garymuskan Estate Private Limited.

A. Details of our Top Five Group Companies (largest unlisted Group Companies based on turnover)

1. **Garymuskan Estate Private Limited**

Corporate Information

Garymuskan Estate Private Limited ("**Garymuskan Estate**") was incorporated with the Registrar of Companies, Kolkata on May 9, 2005 under the Companies Act, 1956 as a private limited company. Garymuskan Estate is engaged, *inter alia*, in the business of purchasing, leasing, exchanging or hiring properties.

Interest of our Promoters

Our Promoters are not interested in Garymuskan Estate.

Financial Information

The following table sets forth certain information derived from the audited financial statements of Garymuskan Estate for the last three Fiscal Years:

Particulars	Fiscal Year Ended		
	2018	2017	2016
Equity Capital (in ₹ million)	6.81	6.81	6.81
Reserves and surplus (excluding revaluation reserves) (in ₹ million)	8.06	8.05	7.73
Sales/Turnover (in ₹ million)	1.19	1.27	1.59
Profit/(Loss) after tax (in ₹)	7,280.92	327,150.98	355,980.52
Earnings per share (face value ₹ 10) (basic) (in ₹)	0.01	0.48	0.52
Earnings per share (face value ₹ 10) (diluted) (in ₹)	0.01	0.48	0.52
Net asset value per equity share (in ₹)	21.83	21.82	21.34

There are no significant notes of the auditors in relation to the above-mentioned financial statements.

2. **Vidhman Estate Private Limited**

Corporate Information

Vidhman Estate Private Limited ("**Vidhman Estate**") was incorporated with the RoC on January 15, 2010 under the Companies Act, 1956 as a private limited company. Vidhman Estate is engaged, *inter alia*, in the business of purchasing, leasing, exchanging or hiring properties.

Interest of our Promoters

Our Promoters are not interested in Vidhman Estate.

Financial Information

The following table sets forth certain information derived from the audited financial statements of Vidhman Estate for the last three Fiscal Years:

Particulars	Fiscal Year Ended		
	2017	2016	2015
Equity Capital (in ₹ million)	0.56	0.56	0.56
Reserves and surplus (excluding revaluation reserves) (in ₹ million)	3.53	4.11	4.36
Sales/Turnover (in ₹)	1,062,190.00	1,488,046.00	787,190.00
Profit/(Loss) after tax (in ₹)	(577,718.00)	(253,248.00)	279.48
Earnings per share (face value ₹ 10) (basic) (in ₹)	(10.39)	(4.55)	0.01
Earnings per share (face value ₹ 10) (diluted) (in ₹)	(10.39)	(4.55)	0.01
Net asset value per equity share (in ₹)	73.45	83.84	88.40

There are no significant notes of the auditors in relation to the above-mentioned financial statements.

3. **Aakash Healthcare**

Corporate Information

Aakash Healthcare was incorporated with the RoC on December 28, 1994 under the Companies Act, 1956 as Aakash Institute Private Limited, a private limited company. Pursuant to its change in name to Aakash Healthcare Private Limited, it received a fresh certificate of incorporation from the RoC on November 19, 2013. Aakash Healthcare is engaged, *inter alia*, in the business of establishing, operating, running, maintaining and managing hospitals and medical/health research centers.

Interest of our Promoters

Our Promoters, Mr. J.C. Chaudhry and Mr. Aakash Chaudhry hold 31,397,600 equity shares and 1,500,000 equity shares of face value of ₹ 10 each constituting 63.43% and 3.03%, respectively, of the issued and paid-up equity share capital of Aakash Healthcare. Dr. Aashish Chaudhry and Ms. Kamla Chaudhry, members of our Promoter Group, also hold 10,000,000 and 6,602,400 equity shares of face value ₹ 10 each constituting 20.20% and 13.34%, respectively, of the issued and paid-up equity share capital of Aakash Healthcare.

Our Promoter, Mr. J.C. Chaudhry is a director on the board of directors of Aakash Healthcare. Ms. Kamla Chaudhry and Dr. Aashish Chaudhry, members of our Promoter Group, are also directors on the board of directors of Aakash Healthcare.

Financial Information

The following table sets forth certain information derived from the audited financial statements of Aakash Healthcare for the last three Fiscal Years:

Particulars	Fiscal Year Ended		
	2017	**2016**	**2015**
Equity Capital (in ₹ million)	495.00	495.00	448.25
Reserves and surplus (excluding revaluation reserves) (in ₹ million)	(51.16)	2.19	7.97
Sales/Turnover (in ₹)	608,424.00	35,000.00	499,623.00
Profit/(Loss) after tax (in ₹)	(53,363,001.00)	(5,775,938.00)	(3,389,182.00)
Earnings per share (face value ₹ 10) (basic) (in ₹)	(1.08)	(0.12)	(0.07)
Earnings per share (face value ₹ 10) (diluted) (in ₹)	(1.08)	(0.12)	(0.07)
Net asset value per equity share (in ₹)	8.96	10.05	9.22

There are no significant notes of the auditors in relation to the above-mentioned financial statements.

4. **Surabhi Infra & Management Services Limited**

Corporate Information

Surabhi Infra was incorporated with the RoC on February 14, 2013 under the Companies Act, 1956 as a public limited company. Surabhi Infra is currently not engaged in any business activity.

Interest of our Promoters

Our Promoters, Mr. J. C. Chaudhry and Mr. Aakash Chaudhry, hold 49,400 and 100 equity shares of face value of ₹ 10 each, constituting 98.80 % and 0.20%, respectively, of the issued and paid-up share capital of Surabhi Infra. Mr. Jai Dayal Chaudhry, Ms. Kamla Chaudhry, Dr. Aashish Chaudhry, Dr. Meinal Chaudhry and Ms. Neetu Chaudhry members of our Promoter Group, each also hold 100 equity shares of face value ₹ 10 each constituting 0.20% of the equity share capital of Surabhi Infra.

Our Promoters, Mr. J.C. Chaudhry and Mr. Aakash Chaudhry are directors on the board of directors of Surabhi Infra. Ms. Kamla Chaudhry, member of our Promoter Group, is also on the board of directors of Surabhi Infra.

Financial Information

The following table sets forth certain information derived from the audited financial statements of Surabhi Infra for the last three Fiscal Years:

Particulars	Fiscal Year Ended		
	2018	**2017**	**2016**
Equity Capital (in ₹ million)	0.50	0.50	0.50
Reserves and surplus (excluding revaluation reserves) (in ₹ million)	(0.11)	(0.10)	(0.10)
Sales/Turnover (in ₹)	5,618.00	Nil	Nil
Profit/(Loss) after tax (in ₹)	(19,474.00)	(6,986.00)	(21,059.00)
Earnings per share (face value ₹ 10) (basic) (in ₹)	(0.39)	(0.14)	(0.42)
Earnings per share (face value ₹ 10) (diluted) (in ₹)	(0.39)	(0.14)	(0.42)
Net asset value per equity share (in ₹)	7.67	8.05	8.19

There are no significant notes of the auditors in relation to the above-mentioned financial statements.

5. **J C Jagruti**

Corporate Information

J C Jagruti was incorporated with the RoC on March 1, 2013 under the Companies Act, 1956 as a private limited company. J C Jagruti is engaged, *inter alia*, in the business of being a publisher, editor and distributor of printed books.

Interest of our Promoters

Our Promoter, Mr. J.C. Chaudhry, holds 5,000 equity shares of face value of ₹ 10 each constituting 50.00% of the issued and paid-up equity share capital of J C Jagruti. Ms. Kamla Chaudhry, member of our Promoter Group, also holds 5,000 equity shares of face value ₹ 10 each constituting 50.00% of the equity share capital of J C Jagruti. Our Promoter, Mr. J.C. Chaudhry is a director on the board of directors of J C Jagruti. Ms. Kamla Chaudhry, member of our Promoter Group, is also on the board of directors of J C Jagruti.

Financial Information

The following table sets forth certain information derived from the audited financial statements of J C Jagruti for the last three Fiscal Years:

Particulars	Fiscal Year Ended		
	2018	2017	2016
Equity Capital (in ₹ million)	0.10	0.10	0.10
Reserves (excluding revaluation reserves) and surplus (in ₹ million)	(0.66)	(0.62)	(0.51)
Sales/Turnover (in ₹)	3,335.00	1,253.00	1,707.00
Profit/(Loss) after tax (in ₹)	(34,130.00)	(110,777.00)	(155,819.00)
Earnings per share (face value ₹ 10) (basic) (in ₹)	(0.34)	(11.08)	(15.58)
Earnings per share (face value ₹ 10) (diluted) (in ₹)	(0.34)	(11.08)	(15.58)
Net asset value per equity share (in ₹)	(55.67)	(52.26)	(41.18)

There are no significant notes of the auditors in relation to the above-mentioned financial statements.

B. Other Group Companies

1. **Destination Home Private Limited**

Corporate Information

Destination Home was incorporated with the RoC on July 18, 2011 under the Companies Act, 1956 as a private limited company. Destination Home is currently not engaged in any business activity.

Interest of our Promoters

Our Promoters, Mr. J.C. Chaudhry and Mr. Aakash Chaudhry, hold 40,100 and 9,900 equity shares of face value of ₹ 10 each constituting 80.20% and 19.80%, respectively, of the issued and paid-up equity share capital of Destination Home. Our Promoters, Mr. J.C. Chaudhry and Mr. Aakash Chaudhry are also directors on the board of directors of Destination Home.

Financial Information

The following table sets forth certain information derived from the audited financial statements of Destination Home for the last three Fiscal Years:

Particulars	Fiscal Year Ended		
	2018	2017	2016
Equity Capital (in ₹ million)	0.50	0.50	0.50
Reserves (excluding revaluation reserves) and surplus (in ₹ million)	(3.75)	(3.71)	(3.68)
Sales/Turnover (in ₹)	2,280.00	Nil	Nil
Profit/(Loss) after tax (in ₹)	(39,815.00)	(31,481.00)	(27,502.00)
Earnings per share (face value ₹ 10) (basic) (in ₹)	(0.80)	(0.63)	(0.55)
Earnings per share (face value ₹ 10) (diluted) (in ₹)	(0.80)	(0.63)	(0.55)
Net asset value per equity share (in ₹)	(65.03)	(64.23)	(63.61)

There are no significant notes of the auditors in relation to the above-mentioned financial statements.

Loss Making Group Companies

Except for Garymuskan Estate, all our Group Companies have incurred losses in the immediately preceding Fiscal Year.

Defunct Group Companies

There are no defunct Group Companies and no applications have been made to the relevant registrar of companies for striking off the name of any of our Group Companies in the five years immediately preceding the date of filing of this Draft Red Herring Prospectus.

Certain Confirmations

None of our Group Companies is listed on any stock exchange. None of our Group Companies has made any public or rights issue in the last three years.

None of our Group Companies is a sick company within the meaning of the SICA, or is under winding up, or has been declared as insolvent or has insolvency proceedings initiated against it under the provisions of the IBC.

Except for Destination Home and J C Jagruti, none of our Group Companies has a negative net worth as at the date of their last audited financial statements.

Nature and Extent of Interest of Group Companies

In the promotion of the Company

None of our Group Companies has any interest in the promotion of our Company.

In the properties acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with the SEBI or proposed to be acquired

None of our Group Companies is interested in the properties acquired by our Company in the two years immediately preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired.

In transactions for acquisition of land, construction of buildings and supply of machinery

None of our Group Companies is interested in any transaction for the acquisition of land, construction of building or supply of machinery.

Business and Other Interests

Except as disclosed in "*History and Certain Corporate Matters – Summary of Material Agreements*" and "*Related Party Transactions*" on pages 159 and 187, respectively, none of our Group Companies has any business and other interest in our Company.

Related Business Transactions within our group and significance on the financial performance of our Company

For more information, see "*Related Party Transactions*" on page 187.

Common Pursuits

There are no common pursuits among our Group Companies and our Company.

Significant Sale/Purchase between Group Companies and our Company

There are no sales or purchases between our Company and our Group Companies where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Litigation

There is no litigation or regulatory action involving our Group Companies.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five Financial Years, see "*Financial Statements – Annexure VI – Note 35*" on page 251.

DIVIDEND POLICY

The declaration and payment of dividends on the Equity Shares will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association, the Companies Act and the dividend policy of our Company adopted by our Board at a meeting dated June 14, 2018 (the "**Dividend Distribution Policy**").

In terms of the Dividend Distribution Policy, our Company will endeavor to distribute a minimum of 50% of its profit after tax subject to certain considerations set out in the Dividend Distribution Policy.

The Dividend Distribution Policy provides that our Board may consider the following financial/internal parameters while declaring or recommending dividend to Shareholders: (i) our Company's net profits earned during the financial year after tax; (ii) retained earnings; (iii) working capital requirement and repayment of debts, if any, (iv) contingent liabilities; (v) earnings outlook for at least next three years; (vi) current and expected future capital/liquidity requirements including expansion, modernization, investment in group companies and acquisitions; (vii) buyback of shares or any other profit distribution measure; (viii) stipulations/covenants of any agreement to which our Company is a party (including, financing documents, investment agreements and shareholders agreement); and (ix) any other relevant factors and material events, including those set out in any annual business plan and budget of our Company.

Our Board may consider the following external parameters while declaring or recommending dividend to Shareholders: (i) the applicable legal requirements, regulatory conditions or restrictions; (ii) dividend pay-out ratios of companies in similar industries; (iii) financing costs; (iv) the prevailing economic environment; and (v) any other relevant factors and material events to our Company.

The details of dividend (interim and final) on equity shares paid by our Company during the last five Fiscal Years are detailed in the following table:

Particulars	For the Financial Year ended March 31				
	2018	2017	2016	2015	2014
Number of equity shares of face value of ₹ 10 each at the time of declaration of dividend (in million)	27.77	9.14	9.14	9.14	9.14
Number of equity shares of face value of ₹ 5 each at the time of declaration of dividend (in million)	55.55	18.28	18.28	18.28	18.28
Dividend per equity share of face value of ₹ 10 each (in ₹)	48.39	121.50	65.00	15.00	25.00
Dividend per equity share of face value of ₹ 5 each (in ₹)	24.19	60.75	32.50	7.50	12.50
Rate of dividend (in %)	483.85	1,215.00	650.00	150.00	249.99
Dividend distribution tax (in ₹ million)	273.56	226.12	120.96	23.30	38.84
Total dividend, including dividend distribution tax (in ₹ million)	1,617.35	1,336.80	715.15	160.42	267.37

The amounts paid as dividends in the past are not indicative of the dividend amounts declared or payable, if any, in the future. See "*Risk Factors – 35. Our ability to pay dividends in the future is dependent on our earnings and financial condition*" on page 35.

SECTION V: FINANCIAL INFORMATION
FINANCIAL STATEMENTS

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EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To
The Board of Directors,
Aakash Educational Services Limited
(Formely Aakash Educational Services Private Limited)
Aakash Tower, 8 Pusa Road,
New Delhi - 110005

Dear Sirs,

1) We have examined the attached restated financial information of Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited) (the "Company"), which comprise of the Restated Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Statement of Profit and Loss, the Restated Statement of Changes in Equity and the Restated Statement of Cash Flows for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the Significant Accounting Policies, read together with the annexures and notes thereto and other restated financial information as appearing in paragraph 6 below (collectively, together with the notes and annexures thereto, the "Restated Financial Information"), for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO"). The Restated Financial Information has been approved by the Board of Directors of the Company and is prepared in terms of the requirements of:

   (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act"), as amended; and

   (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "ICDR Regulations") in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the ICDR Regulations issued by the Securities and Exchange Board of India.

The preparation of the Restated Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 10 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act and the ICDR Regulations.

2) We have examined such Restated Financial Information taking into consideration:

(a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 18 April 2018 in connection with the IPO of the Company; and

(b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

3) These Restated Financial Information have been compiled by the management from:

(a) As at and for the years ended 31 March 2018 and 31 March 2017: From the audited financial statements of the Company as at and for the year ended 31 March 2018, and 31 March 2017 being the comparative period for the year ended 31 March 2018, prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their Board meeting held on 9 July 2018. The audited financial statements of the Company as at and for the year ended 31 March 2017, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, other relevant provisions of the Act and other accounting principles generally accepted in India, which had been approved by the Board of Directors at their meeting held on 17 July 2017. These financial statements have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on 1 April 2016 ('transition date') and are disclosed as the comparative figures for the year ended 31 March 2018;

(b) As at and for the years ended 31 March 2016 and 31 March 2015: From the audited financial statements of the Company as at and for the years ended 31 March 2016 and 31 March 2015, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as amended, other relevant provisions of the Act and other accounting principles generally accepted in India, which had been approved by the Board of Directors at their Board meeting held on 6 June 2016 and 4 September 2015 respectively, and which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on transition date; and

(c) As at and for the year ended 31 March 2014: From the audited financial statements of the Company as at and for the year ended 31 March 2014, prepared in accordance with Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies (Accounting Standards) Rules, 2006, which had been approved by the Board of Directors at their Board meeting held on 11 August 2014, and which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on transition date.

The Restated Financial Information mentioned in 3(b) and 3(c) above, as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 are referred to as "the Proforma Ind AS Restated Financial Information" as per the Guidance Note.

4) The audit of the Company's financial statements as referred in paragraph 3 above for the year / years ended:

   (a) 31 March 2017 was conducted by the predecessor auditor, Price Waterhouse Chartered Accountants LLP, Chartered Accountants; and

   (b) 31 March 2016, 31 March 2015 and 31 March 2014 was conducted by the predecessor auditor, Sunil Vijay & Associates, Chartered Accountants.

5) Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, the ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, read together with paragraphs 3 above and the reliance placed on the audit reports of the predecessor auditors as referred to in paragraph 4 above, we report that:

   (a) The Restated Statement of Assets and Liabilities of the Company as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexure I to the Restated Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI, Note 41 – Notes to Restated Financial Information and Annexure VII – Restated Statement of Adjustments to the Audited Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

   (b) The Restated Statement of Profit and Loss of the Company for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexure II to the Restated Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI, Note 41 – Notes to Restated Financial Information and Annexure VII – Restated Statement of Adjustments to the Audited Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

   (c) The Restated Statement of Changes in Equity of the Company for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexure III to the Restated Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI, Note 41 – Notes to Restated Financial Information and Annexure VII – Restated Statement of Adjustments to the Audited Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

   (d) The Restated Statement of Cash Flows of the Company for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexure IV to the Restated Financial Information, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI, Note 41 – Notes to Restated Financial Information and Annexure VII – Restated Statement of Adjustments to the Audited Financial Statements. As a result of these adjustments, the amounts reported in the above mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

(e) Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the audit reports of the predecessor auditors as referred to in paragraph 4 above, we further report that the Restated Financial Information:

(i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policies for all the reporting periods;
(ii) have been made after incorporating adjustments for material amounts in the respective financial years to which they relate; and
(iii) do not contain any extra-ordinary item that need to be disclosed separately in the Restated Financial Information and do not contain any qualification requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Financial Information have been disclosed in Note 4 of Annexure VII to the Restated Financial Information.

6) We have also examined, after placing reliance on the audit reports of the predecessor auditors as referred to in paragraph 4 above, the following other restated financial information of the Company as set out in the Annexures prepared by the management and approved by the Board of Directors on 9 July 2018 for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014:

(a) Annexure V – Basis of Preparation and Significant Accounting Policies
(b) Annexure VI- Notes to Restated Financial Information
(c) Annexure VII- Restated Statement of Adjustments to Audited Financial Statements
(d) Annexure VIII – Restated Statement of Accounting Ratios
(e) Annexure IX- Restated Statement of Capitalisation
(f) Annexure X- Restated Statement of Dividend Paid
(g) Annexure XI- Restated Statement of Tax Shelter

7) According to the information and explanations given to us and also as per the reliance placed on the audit reports of the predecessor auditors as referred to in paragraph 4 above, in our opinion:

(i) the Restated Financial Information and the above other restated financial information contained in Annexures VI to XI accompanying this report, read with significant accounting policies disclosed in Annexure V, as at and for the years ended 31 March 2018 and 31 March 2017 are prepared after making adjustments and regrouping/reclassifications as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, the ICDR Regulations and the Guidance Note; and

(ii) the Proforma Ind AS Restated Financial Information and the above other restated financial information contained in Annexures VI to XI accompanying this report, read with significant accounting policies disclosed in Annexure V, as at and for the years ended 31 March 2016, 31

March 2015 and 31 March 2014 are prepared after making proforma adjustments and regrouping/reclassifications as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, the ICDR Regulations and the Guidance Note.

8) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

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

10) Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, relevant Stock Exchanges where the equity shares are proposed to be listed and the Registrar of Companies, National Capital Territory of Delhi and Haryana located at New Delhi in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajiv Goyal
Partner
Membership No: 094549

Place: Gurugram
Date: 9 July 2018

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure I - Restated Statement of Assets and Liabilities
(Rupees in millions, unless otherwise stated)

Particulars	Annexure No. VI/ Note	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
ASSETS						
Non-current assets						
Property, plant and equipment	1	1,291.95	1,442.53	1,831.26	1,802.02	1,714.98
Capital work-in-progress	1	4.20	23.11	27.44	1.13	2.82
Intangible assets	2	78.19	55.94	54.58	56.42	59.24
Financial assets						
i. Investments	3(a)	-	-	-	0.10	0.10
ii. Loans	4	148.63	122.91	102.90	82.51	63.73
iii. Other financial assets	8	0.15	0.28	7.21	4.30	4.30
Deferred tax assets (net)	10	309.37	578.04	401.49	336.53	174.97
Income tax assets (net)	12	283.36	22.95	19.10	19.10	18.02
Other non-current assets	9	110.32	101.82	106.42	91.74	69.82
Total non-current assets		**2,226.17**	**2,347.58**	**2,550.40**	**2,393.85**	**2,107.98**
Current assets						
Inventories	11	28.02	40.60	63.66	27.12	9.65
Financial assets						
i. Investments	3(b)	1,028.25	-	-	-	-
ii. Trade receivables	5	214.43	200.82	341.65	207.75	89.62
iii. Cash and cash equivalents	6	331.57	222.90	165.61	151.84	149.85
iv. Bank balances other than cash and cash equivalents, above	7	356.37	0.60	-	-	-
v. Loans	4	220.48	134.30	113.48	98.63	89.64
vi. Other financial assets	8	3.47	77.62	0.10	0.09	1.23
Other current assets	9	131.99	72.48	90.21	68.16	68.33
		2,314.58	749.32	774.71	553.59	408.32
Assets classified as held for sale	13	-	401.00	-	-	-
Total current assets		**2,314.58**	**1,150.32**	**774.71**	**553.59**	**408.32**
Total assets		**4,540.75**	**3,497.90**	**3,325.11**	**2,947.44**	**2,516.30**
EQUITY AND LIABILITIES						
Equity						
Equity share capital	Annexure III (A), 14(a)	277.73	91.41	91.41	91.41	91.41
Other equity	Annexure III (B), 14(b)	310.91	57.97	766.01	725.09	533.71
Total equity		**588.64**	**149.38**	**857.42**	**816.50**	**625.12**
LIABILITIES						
Non-current liabilities						
Financial liabilities						
i. Borrowings	15	-	-	7.69	-	171.88
ii. Other financial liabilities	18	7.84	5.29	3.50	0.04	-
Provisions	19	112.02	123.26	80.19	42.02	19.48
Other non-current liabilities	20	102.79	102.42	83.43	56.61	56.83
Total non-current liabilities		**222.65**	**230.97**	**174.81**	**98.67**	**248.19**
Current liabilities						
Financial liabilities						
i. Borrowings	16	-	-	-	68.22	174.63
ii. Trade payables	17	326.10	163.15	162.75	172.84	280.94
iii. Other financial liabilities	18	463.63	372.23	253.43	277.07	233.67
Other current liabilities	22	2,849.81	2,494.32	1,743.25	1,406.57	914.52
Provisions	19	89.92	87.85	52.01	33.60	8.91
Current tax liabilities (net)	21	-	-	81.44	73.97	30.32
Total current liabilities		**3,729.46**	**3,117.55**	**2,292.88**	**2,032.27**	**1,642.99**
Total liabilities		**3,952.11**	**3,348.52**	**2,467.69**	**2,130.94**	**1,891.18**
Total equity and liabilities		**4,540.75**	**3,497.90**	**3,325.11**	**2,947.44**	**2,516.30**

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. - 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549

Place: Gurugram
Date: 9 July 2018

For and on behalf of the Board of Director of Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)

J C Chaudhry
Chairman cum Managing Director
DIN: 00106128

Aakash Chaudhry
CEO & Whole-time Director
DIN: 00106392

Hemant Sultania
Chief Financial Officer

Veerendra Kumar Achanta
Company Secretary
ICSI Membership No.:FCS7355

Place: New Delhi
Date: 9 July 2018

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure II - Restated Statement of Profit and Loss
(Rupees in millions, unless otherwise stated)

Particulars	Annexure No. VI/	For the year ended	For the year ended	For the year ended Proforma	For the year ended Proforma	For the year ended Proforma
Income						
Revenue from operations	23	9,733.32	7,224.28	5,824.28	4,648.89	3,277.34
Other income	24	78.02	71.88	44.28	19.86	21.47
Total income		**9,811.34**	**7,296.16**	**5,868.56**	**4,668.75**	**3,298.81**
Expenses						
Courseware and examination	25	344.92	281.32	232.23	247.14	198.54
Purchase of stock-in-trade		34.93	38.04	89.28	53.88	29.50
Changes in inventories of stock-in-trade	26	11.52	14.84	(39.19)	(17.47)	(4.67)
Employee benefit expenses	27	3,694.90	2,963.22	2,153.63	1,750.11	1,062.65
Finance costs	28	4.72	9.38	13.34	16.10	39.21
Depreciation and amortisation expense	29	309.15	304.53	241.61	218.51	61.50
Impairment on assets held for sale	13	-	179.23	-	-	-
Other expenses	30	2,984.63	2,448.16	2,010.58	1,866.35	1,343.22
Total expenses		**7,384.77**	**6,238.72**	**4,701.48**	**4,134.62**	**2,729.95**
Profit before tax		**2,426.57**	**1,057.44**	**1,167.08**	**534.13**	**568.86**
Tax expense	10					
-Current tax		572.24	591.84	469.86	333.25	287.78
-Deferred tax charge /(credit)		252.49	(169.93)	(61.52)	(157.97)	(98.26)
Total tax expense		824.73	421.91	408.34	175.28	189.52
Profit for the year as restated (A)		**1,601.84**	**635.53**	**758.74**	**358.85**	**379.34**
Other comprehensive income	Annexure III (B)					
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability/ (asset)	19	46.31	(19.10)	(9.90)	(10.64)	(2.40)
Income tax relating to above mentioned item		(16.18)	6.61	3.43	3.59	0.77
Other comprehensive income for the year, net of tax (B)		**30.13**	**(12.49)**	**(6.47)**	**(7.05)**	**(1.63)**
Total comprehensive income for the year as restated (A+B)		**1,631.97**	**623.04**	**752.27**	**351.80**	**377.71**
Earnings per equity share [also refer Annexure VI, note	40					
Basic earnings per share (INR)		24.26	9.63	11.50	5.44	5.75
Diluted earnings per share (INR)		24.21	9.62	11.50	5.44	5.75

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. - 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549

Place: Gurugram
Date: 9 July 2018

For and on behalf of the Board of Director of Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)

J C Chaudhry
Chairman cum Managing Director
DIN: 00106128

Aakash Chaudhry
CEO & Whole-time Director
DIN: 00106392

Hemant Sultania
Chief Financial Officer

Veerendra Kumar Achanta
Company Secretary
ICSI Membership No.:FCS7355

Place: New Delhi
Date: 9 July 2018

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure III - Restated Statement of Changes in Equity
(Rupees in millions, unless otherwise stated)

A. Equity share capital

Particulars	Annexure No. VI/ Note	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Balance as at the beginning of the year		91.41	91.41	91.41	91.41	91.41
Changes in equity share capital	14 (a)	186.32	-	-	-	-
Balance as at the end of the year		**277.73**	**91.41**	**91.41**	**91.41**	**91.41**

B. Other equity

Particulars	Annexure No. VI/ Note	Reserves and surplus				OCI	
		General reserve	Retained earnings	Share options outstanding account	Security Premium	Remeasurement of defined benefit plan (net of tax)	Total other equity
Balance as at April 1, 2013 - Proforma		79.92	343.45	-	-	-	**423.37**
Profit for the year		-	379.34	-	-		**379.34**
Other comprehensive income (net of tax)		-	-	-	-	(1.63)	**(1.63)**
Transfer to retained earnings			(1.63)	-	-	1.63	**-**
Transfer to general reserve		-	(61.27)	-	-	-	**(61.27)**
Transfer from retained earnings		61.27	-	-	-	-	**61.27**
Transaction with owners in their capacity as owners:							
Dividend paid (including dividend distribution tax)		-	(267.37)	-	-	-	**(267.37)**
Balance as at March 31, 2014 - Proforma		**141.19**	**392.52**	**-**	**-**	**-**	**533.71**
Balance as at April 1, 2014 - Proforma		**141.19**	**392.52**	**-**	**-**	**-**	**533.71**
Profit for the year		-	358.85	-	-	-	**358.85**
Other comprehensive income (net of tax)		-		-	-	(7.05)	**(7.05)**
Transfer to retained earnings		-	(7.05)	-	-	7.05	**-**
Transfer to general reserve		-	(56.84)	-	-	-	**(56.84)**
Transfer from retained earnings		56.84	-	-	-	-	**56.84**
Transaction with owners in their capacity as owners:							
Dividend paid (including dividend distribution tax)		-	(160.42)	-	-	-	**(160.42)**
Balance as at March 31, 2015 - Proforma		**198.03**	**527.06**	**-**	**-**	**-**	**725.09**
Balance as at April 1, 2015 - Proforma		**198.03**	**527.06**	**-**	**-**	**-**	**725.09**
Profit for the year		-	758.74	-	-		**758.74**
Other comprehensive income		-	-	-	-	(6.47)	**(6.47)**
Transfer to retained earnings		-	(6.47)	-	-	6.47	**-**
Transaction with owners in their capacity as owners:							
Dividend paid (including dividend distribution tax)		-	(715.16)	-	-	-	**(715.16)**
Employee stock option expense		-	-	3.81	-	-	**3.81**
Balance as at March 31, 2016 - Proforma		**198.03**	**564.17**	**3.81**	**-**	**-**	**766.01**
Balance as at April 1, 2016		**198.03**	**564.17**	**3.81**	**-**	**-**	**766.01**
Profit for the year		-	635.53	-	-	**-**	**635.53**
Other comprehensive income (net of tax)		-		-	-	(12.49)	**(12.49)**
Transfer to retained earnings			(12.49)	-	-	12.49	**-**
Transaction with owners in their capacity as owners:							
Final and interim dividend paid (including dividend distribution tax)		-	(1,336.79)	-	-	-	**(1,336.79)**
Employee stock option expense	39	-	-	5.71	-	-	**5.71**
Balance as at March 31, 2017		**198.03**	**(149.58)**	**9.52**	**-**	**-**	**57.97**
Balance as at April 1, 2017		**198.03**	**(149.58)**	**9.52**	**-**	**-**	**57.97**
Profit for the year		-	1,601.84	-	-	-	**1,601.84**
Other comprehensive income (net of tax)		-	-	-	-	30.13	**30.13**
Transfer to retained earnings		-	30.13	-	-	(30.13)	**-**
Transaction with owners in their capacity as owners:							
Dividend paid (including dividend distribution tax)*		-	(1,617.35)	-		-	**(1,617.35)**
Shares issued during the year at premium (net of share issue expense)		-	-	-	413.85	-	**413.85**
Bonus issue (Refer note 14)		(183.23)	-	-	-	-	**(183.23)**
Employee stock option expense		-	-	7.70	-	-	**7.70**
Employee stock option excercised during the year		-	-	(3.54)	3.54	-	**-**
Balance as at March 31, 2018		**14.80**	**(134.96)**	**13.68**	**417.39**	**-**	**310.91**

* During the financial year 2017-2018, the Company had distributed interim dividend amounting to INR 1,343.79 and paid dividend distribution tax amounting to INR 273.56 under the provisions of Section 123(3) to the Companies Act, 2013, out of the surplus in the profit and loss account (Retained earnings) and out of the profits for the Financial year 2017-2018 as computed in accordance with the Previous GAAP. The Company is of the view that calculation of above interim dividend in accordance with Previous GAAP is in compliance with provisions of the Companies Act 2013.

The above statement should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. - 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549

Place: Gurugram
Date: 9 July 2018

For and on behalf of the Board of Director of Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)

J C Chaudhry
Chairman cum Managing Director
DIN: 00106128

Aakash Chaudhry
CEO & Whole-time Director
DIN: 00106392

Hemant Sultania
Chief Financial Officer

Veerendra Kumar Achanta
Company Secretary
ICSI Membership No.:FCS7355

Place: New Delhi
Date: 9 July 2018

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure IV - Restated Statement of Cash Flows
(Rupees in millions, unless otherwise stated)

Particulars	Annexure VI/ Note	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
A. Cash flows from operating activities						
Profit before income tax (as restated)		2,426.57	1,057.44	1,167.08	534.13	568.86
Adjustments for:						
Depreciation and amortisation expense	29	309.15	304.53	241.61	218.51	61.50
Employee share based payment expense	27	7.70	5.71	3.81	-	-
Net (gain)/loss on disposal of property, plant and equipment and intangible assets	24 ,30	15.94	(1.23)	1.02	1.43	4.39
Net gain on sale of investments	24	(6.44)	(0.41)	-	-	-
Unrealised loss (net) on investments carried at FVTPL		2.31	-	-	-	-
Unwinding of discount on security deposits	24	(12.08)	(9.99)	(7.93)	(6.51)	(4.20)
Dividend income on investments	24	(46.82)	(12.03)	(0.42)	-	-
Interest income	24	(9.90)	(40.27)	(29.72)	(11.46)	(13.93)
Impairment loss	13	-	179.23	-	-	-
Finance costs	28	4.72	9.38	13.34	16.10	39.21
Loss on account of fire at branches	30	-	11.99	-	-	-
Property, plant and equipment written off	30	8.83	-	1.14	0.64	0.71
Allowance for doubtful receivables and advances	30	6.57	3.52	1.08	1.13	0.45
Lease equalisation reserve		1.92	7.44	4.86	3.54	3.69
Advances written off	30	0.59	5.55	1.98	1.50	1.81
Operating profit before working capital changes (as restated)		**2,709.06**	**1,520.86**	**1,397.85**	**759.01**	**662.49**
Changes in operating assets and liabilities						
(Increase)/Decrease in trade receivables		(20.18)	136.06	(135.62)	(119.16)	(66.65)
(Increase)/Decrease in inventories		13.65	31.28	(33.89)	(17.47)	(4.68)
Increase/(Decrease) in trade payables		162.95	0.41	(10.10)	(108.10)	158.44
(Increase)/Decrease in loans		(102.11)	(33.22)	(19.63)	(22.52)	(63.32)
(Increase)/Decrease in other assets		(68.20)	0.30	(29.44)	(13.08)	(49.00)
Increase in provisions		37.13	59.81	46.68	36.58	5.86
Increase/ (Decrease) in other financial liabilities		89.69	70.27	(31.31)	89.73	95.13
Increase in other liabilities		355.87	770.05	363.51	491.82	468.39
Cash generated from operations		**3,177.86**	**2,555.82**	**1,548.05**	**1,096.81**	**1,206.66**
Direct taxes (paid)/ received (net of refunds)		(832.67)	(681.44)	(470.16)	(293.37)	(257.59)
Net cash inflow from operating activities - Total (A)		**2,345.19**	**1,874.38**	**1,077.89**	**803.44**	**949.07**
B. Cash flows from investing activities						
Payments for acquisition of property, plant and equipment, intangibles and capital work in progress		(230.48)	(454.07)	(309.30)	(316.34)	(484.60)
Payments for purchase of investments		(7,769.98)	(3,700.00)	(110.00)	-	(0.00)
Loan to employees (net)		2.42	3.10	(7.11)	1.32	2.19
Proceeds from sale of property, plant and equipment and intangible assets		445.52	7.12	7.90	2.87	3.49
Proceeds from sale of investments		6,816.68	3,630.41	110.10	-	-
(Payment) for fixed deposits		(348.12)	(1.19)	(2.91)	-	(4.30)
Interest received		6.54	37.48	29.53	12.60	12.90
Dividend received		46.01	12.03	0.42	-	-
Net cash used in investing activities - Total (B)		**(1,031.41)**	**(465.12)**	**(281.37)**	**(299.55)**	**(470.32)**
C Cash flows from financing activities						
Proceeds from borrowings		-	-	16.00	-	14.50
Repayment of borrowings		-	(12.83)	(10.05)	(221.70)	(155.49)
Proceeds from issuance of equity share capital		3.08	-	-	-	-
Securities premium received on issue of shares		413.85	-	-	-	-
Interest paid on bank loans and others		(4.69)	(2.35)	(5.32)	(13.37)	(39.21)
Dividend paid to company's shareholders	33	(1,343.79)	(1,037.55)	(594.19)	(137.12)	(315.20)
Dividend distribution tax		(273.56)	(299.24)	(120.97)	(23.30)	(53.57)
Net cash used in financing activities - Total (C)		**(1,205.11)**	**(1,351.97)**	**(714.53)**	**(395.49)**	**(548.97)**
D Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)		**108.67**	**57.29**	**81.99**	**108.40**	**(70.22)**
E Cash and cash equivalents at the beginning of the year		**222.90**	**165.61**	**83.62**	**(24.78)**	**45.44**
F Cash and cash equivalents at the end of the year (D)+(E)		**331.57**	**222.90**	**165.61**	**83.62**	**(24.78)**
Reconciliation of cash and cash equivalents as per the cash flow statement						
Cash and cash equivalents as per above comprise of the following						
Cash and cash equivalents	6	331.57	222.90	165.61	151.84	149.85
Bank overdrafts	16	-	-	-	(68.22)	(174.63)
Balances as per statement of cash flows		**331.57**	**222.90**	**165.61**	**83.62**	**(24.78)**

a. The Restated Statement of Cash Flows has been prepared in accordance with 'Indirect method' as set out in Ind AS -7 on 'Statement of Cash Flows' as notified under Section 133 of the Companies Act 2013, read with the relevant rules thereund
b. The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. - 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549

Place: Gurugram
Date: 9 July 2018

For and on behalf of the Board of Director of Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)

J C Chaudhry
Chairman cum Managing Director
DIN: 00106128

Aakash Chaudhry
CEO & Whole-time Director
DIN: 00106392

Hemant Sultania
Chief Financial Officer

Veerendra Kumar Achanta
Company Secretary
ICSI Membership No.:FCS7355

Place: New Delhi
Date: 9 July 2018

Annexure V: Basis of preparation and Significant accounting policies
(Rupees in millions, unless otherwise stated)

1. General Information

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited) (the 'Company') is a company limited by shares, incorporated and domiciled in India having its Registered Office at Aakash Tower, 8, Pusa Road, New Delhi - 110005. The Company is primarily engaged in the business of imparting training and education to students. Subsequent to year ended March 31, 2018, the Company has converted to a public limited company.

2. Basis of preparation and significant accounting policies:

(a) Basis of preparation

i. Compliance with Indian Accounting Standards

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017, with transition date of April 1, 2016, pursuant to notification issued by Ministry of Corporate Affairs dated 16 February 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. Securities and Exchange Board of India vide circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 has allowed companies to present all 5 years using the Ind AS framework. Accordingly, the Restated Statement of Assets and Liabilities of the Company as at March 31 2018, 2017, 2016, 2015 and 2014, the Restated Statement of Profit and Loss, the Restated Statement of Changes in Equity, the Restated Statement of Cash flows for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and Restated Other Financial Information (together referred as '**Restated Financial Information**') has been prepared under Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act and other accounting principles generally accepted in India to the extent applicable. The Restated Financial Information has been compiled by the Company from:

1. The audited financial statements of the Company as at and for the year ended March 31, 2018 and as at and for the year ended March 31, 2017 being the comparative period for the year ended March 31, 2018, prepared in accordance with Ind AS prescribed under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their Board meeting held on July 9, 2018. The audited financial statements of the Company as at and for the year ended 31 March 2017, prepared in accordance with the Companies Accounting Standards Rules, 2006, other relevant provisions of the Act and other accounting principles generally accepted in India, have been approved by the Board of Directors at their meeting held on 17 July 2017. These financial statements have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on 1 April 2016 ('transition date') and are disclosed as the comparative figures for the year ended 31 March 2018;

2. The audited financial statements of the Company as at and for the year ended 31 March 2016 and March 31, 2015, prepared in accordance with the Companies Accounting Standards Rules, 2006, other relevant provisions of the Act, and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their Board meeting held on June 6, 2016 and September 4, 2015; and the audited financial statements of the Company as at and for the years ended 31 March 2014, prepared in accordance with Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies (Accounting Standards) Rules, 2006, which have been approved by the Board of Directors at their Board meetings held on 11 August 2014 respectively (together referred as "Previous GAAP" or "Indian GAAP").

The aforesaid audited financial statements (as referred in paragraph 2 above) of the Company as at and for each of the years ended March 31, 2016, March 31, 2015 and March 31, 2014 have been converted into Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS financial statements for the year ended March 31, 2018. These Restated Financial Information as at and for each of the years ended March 31, 2016, March 31, 2015 and March 31, 2014 is referred to as “the Proforma Ind AS Restated Financial Information" as per the Guidance note on Reports in Company Prospectus (Revised 2016), issued by Institute of Chartered Accountants of India.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows (Refer Note 41 of Annexure VI).

The Restated Financial Information for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 were authorised and approved for issue by the Board of Directors of the Company on July 9, 2018.

The Restated Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company, to be filed by the Company with the Securities and Exchange Board of India, Registrar of Companies, Delhi and the concerned Stock Exchanges in accordance with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013; and

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the “SEBI Regulations”) in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the SEBI Regulations issued by the Securities and Exchange Board of India (the “SEBI”).

c) Guidance Note on reports in Company prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India.

These Restated Financial Information have been compiled by the Company from the Audited Financial Statements and:

- there were no audit qualifications on these Restated Financial Information except for matters disclosed in Annexure VII;
- changes in accounting policies and practices arising from translation to Ind AS from Previous GAAP in arising at profit/loss for the years to which they relate, have been appropriately adjusted;
- material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted;
- adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company as at the year ended March 31, 2018 prepared under Ind AS and the requirements of the SEBI Regulations have been appropriately adjusted; and
- the resultant tax impact on the above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

ii. Basis of Measurement

The Restated Financial Information have been prepared under the historical cost convention, except for the following:

- Certain financial assets and financial liabilities that are measured at fair value;
- Assets held for sale – measured at cost or fair, whichever is less. Cost to sell is further reduced from fair value;
- Defined benefit plans – plan assets that are measured at fair value; and
- Share based payments – measured at fair value

ii (a) Going Concern

Management makes an assessment of an entity's ability to continue as a going concern, while preparing these financial statements. Financial statements are prepared on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties are disclosed.

iii. Functional and presentation currency

Items included in the Restated Financial Information of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Restated Financial Information is presented in Indian Rupees (INR), which is the Company functional and presentation currency. All amounts have been rounded off to the nearest million up to two decimal places, unless otherwise indicated.

iv. Use of estimates and judgement

While preparing the Restated Financial Information in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities in the restated statement of assets and liabilities and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgement, estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives**

  Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

- **Recognition of deferred tax assets**
  Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

- **Recognition and measurement of other provisions**
  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

- **Discounting of long-term financial assets / liabilities**
  All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

- **Fair valuation of employee share options**
  The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model.

- **Lease classification**
  All leasing arrangements are classified as operating/ finance lease based on the terms and conditions of the leasing arrangements at the inception of the lease period. Judgement is required with respect to classification of lease as operating or finance lease.

- **Taxation and legal disputes**
  Judgement is required to ascertain whether it is probable that an outflow of resources embodying economic benefits required to settle the taxation and legal disputes.

- **Impairment of non-financial assets**
  Refer Note b(iii) below for assets held for sale.

  There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

v. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the Company.

All assets and liabilities for which fair value is measured or disclosed in the Restated Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Restated Financial Information on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Company measures financial instruments, such as, investments, at fair value at each reporting date. Also, fair value of financial instruments measured at amortised cost is disclosed in Note 31 of Annexure VI

(b) **Significant accounting policies**

i. Property, plant and equipment and capital work in progress

a) Recognition and measurement

Freehold land is carried at historical cost. Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.
The cost of an item of property, plant and equipment comprises:

a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the Restated Statement of Profit and Loss.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the Restated Statement of Profit and Loss when property, plant and equipment is derecognised.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2016 while preparing Proforma Restated Financial Information for the years ended March 31, 2016, 2015 and 2014.

b) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Restated Statement of Profit and Loss at the time of incurrence.

c) Depreciation

Depreciation on property, plant and equipment is provided in accordance with the provisions of Schedule II of the Companies Act 2013, on Straight Line Method. Depreciation on additions / deductions is calculated on pro-rata basis from/up to the month of additions/deductions. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. In case of the following category of property, plant and equipment, the depreciation has been provided based on the technical specifications, requirement of refurbishments and past experience of the remaining useful life which is in line with useful life as specified in Schedule II to the Act:

(a) Buildings: depreciated over its estimated useful life of 60 years
(b) Plant and equipment: depreciated over its estimated useful life of 15 years.
(c) Vehicles: depreciated over its estimated useful life of 8 years.
(d) Office equipment: depreciated over its estimated useful life of 5 years.
(e) Computers and Printers: depreciated over its estimated useful life of 3 years.
(f) Furniture and fixtures: depreciated over its estimated useful life of 10 years.
(g) Lease hold improvement: depreciated over its estimated useful life of 10 years or period of lease, whichever is lower.

Further, depreciation on property, plant and equipment other than mentioned above is provided on straight line method over the useful lives of assets as estimated by the management. The management estimate of useful lives of such fixed assets is as follows:
(a) Servers and networks: 3 years
(b) Electrical installations and equipment: 5 years

For the above class of assets, management based on internal technical evaluation, has determined that the useful life as given above represent the period over which management expects to use these assets.

ii. Intangible assets

a) Recognition and measurement

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets viz. computer software, which are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the other intangible asset and are recognised in the Restated Statement of Profit and Loss when the asset is de-recognised.

b) Subsequent costs

Subsequent costs is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure on intangible assets is recognised in the Restated Statement of Profit and Loss, as incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the intangible assets. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2016 while preparing Proforma Restated Financial Information for the years ended March 31, 2017, 2016, 2015 and 2014.

c) Amortisation

Intangible assets are amortised on straight line basis over their estimated useful lives, which are as follows:

Assets	**Useful life**
Computer Software	3-5 years

Amortisation is calculated on a pro-rata basis for assets purchased/ disposed during the year.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iii. Assets held for sale

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Restated Statement of Profit and Loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment are no longer amortised or depreciated.

iv. Foreign currency

Transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each closing date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each closing date of the Company's monetary items at the closing rate are recognised as income and expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

Exchange differences are generally recognised in Restated Statement of Profit and Loss.

v. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- Where assets are measured at fair value, gains and losses are either recognised entirely in the Restated Statement of Profit and Loss (i.e. fair value through profit or loss), or recognised in Other Comprehensive Income (i.e. fair value through other comprehensive income).
- A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

  Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

  Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Initial recognition and measurement

At initial recognition, the Company measures a financial asset at fair value plus, in the case of a financial asset not recorded at fair value through the Restated Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

Equity investments

- All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
- Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Restated Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily de-recognised (i.e. removed from the Company's Restated Statement of Assets and Liabilities) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, etc.

b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, expectations about future cash flows, etc.

Financial liabilities

Classification

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through the Restated Statement of Profit and Loss.

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ('EIR'). The EIR amortisation is included as finance costs in the Restated Statement of Profit and Loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Restated Statement of Profit and Loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the Restated Statement of Assets and Liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

vi. Revenue recognition

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, rebates, outgoing goods and service tax and other applicable taxes.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted separately. For allocating the consideration, the Company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with the principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the Company is unable to establish objective and reliable evidence of fair value, the Company has used either cost plus reasonable margin method or residual method to allocate the arrangement consideration. In cases of residual method, the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

Sale of goods
Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

Sale of services
Revenue from services include coaching fees and fees from franchises. Revenue from services is recognised under the proportionate completion method provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration. The stage of completion is assessed based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

Fee received by the Company from the franchises is recognised on net basis.

Interest Income
Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method on a time proportionate basis.

Dividend income
Dividend income is recognised only when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be measured reliably.

vii. Income tax
Income tax expense comprises current and deferred tax. It is recognised in net profit in the Restated Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in the Other Comprehensive Income (OCI).

Current tax
Current tax is the amount of tax payable/ (recoverable) in respect of the taxable income or loss for the year determined in accordance with the provisions of the Income-Tax Act, 1961. Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:
a) has a legally enforceable right to set off the recognised amounts; and
b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:
a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

viii. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is considered to be the Managing Director who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

ix. Leases

In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

Lease assets

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company’s Restated Statement of Assets and Liabilities. In determining the appropriate classification, the substance of the transaction rather than the form is considered.

Lease classification is made at the inception of the lease. Lease classification is changed only if, at any time during the lease, the parties to the lease agreement agree to revise the terms of the lease (without renewing it) in a way that it would have been classified differently, had the changed terms been in effect at inception. The revised agreement involves renegotiation of original terms and conditions and are accounted prospectively over the remaining term of the lease.

Lease payments

Payments made under operating leases are recognised in the Restated Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increase.

x. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset’s recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Restated Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

xi. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cash at bank and other deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

xii. Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

xiii. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Restated Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Restated Statement of Profit and Loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

xiv. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

xv. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and assets

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Commitments includes the amount of purchase order (net of advances) issued to parties for completion of asets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each closing date.

xvi. ***Employee benefits***

Short-term obligations

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Short-term benefits are determined on an undiscounted basis and recognised in the period in which the employee renders the related service.

Other long-term employee benefits

The benefits under compensated expenses are accounted as other long-term employee benefits. The Company’s net obligation in respect of compensated absences is the amount of benefit to be settled in future, that employees have earned in return for their service in the current and previous years. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method. Re-measurements are recognised in Restated Statement of Profit and Loss in the period in which they arise.

Defined contribution plans

The Company pays provident fund contributions to the appropriate government authorities. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when they are due.

Defined benefit plans

Gratuity:

Defined benefit plans of the Company comprise gratuity.
The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment, of an amount based on the respective

employee’s salary and the tenure of employment. Vesting occurs upon completion of five years of service.

The liability recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost and other costs are included in employee benefit expense in the Restated Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in “other equity” in the Restated Statement of Changes in Equity and in the Restated Statement of Assets and Liabilities.

Changes in the present value of the defined benefit obligation resulting from settlement or curtailments are recognised immediately in Restated Statement of Profit and Loss as past service cost.

xvii. Share-based payments

Employees of the Company receive remuneration in the form of share based payments, whereby employees render services as consideration for equity instruments.

The grant-date fair value of equity-settled share-based payment arrangements granted to employees under the Aakash Educational Services Private Limited Employee Stock Options Plan 2015, as amended (‘AAKASHESOP-2015’) is recognised as an employee stock option scheme expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in the “Employee stock option outstanding account”, as separate component in equity. For share-based payment awards with market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The dilutive effect of outstanding awards is reflected as additional share dilution in computation of dilutive earning per share.

xviii. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

xix. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares.
Basic earnings per share ("EPS") is computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is determined by adjusting profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding, for the effects of all dilutive potential equity shares, which comprise share options granted to employees.

xx. Current – non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting period; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non- current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non- current.

xxi. Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Further, there are certain expenses which the company has incurs on behalf of its franchisees. These are shown on net basis after adjusting amounts recovered/recoverable from franchises.

(c) **Recent accounting pronouncement**

Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on 28 March 2018. The rules shall be effective from reporting periods beginning on or after 1 April 2018 and cannot be early adopted.

(a) Ind AS 115, Revenue from Contracts with Customers

On March 28, 2018, the MCA notified the Ind AS 115 "Revenue from Contracts with Customers".

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach – Under this approach, the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting policies, estimates and errors

Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (cumulative catch-up approach).

Pursuant to adoption of Ind AS 115, w.e.f 1 April 2018, the Company is of the view that the accounting policy for certain streams of revenue and related expenses may undergo a change primarily on account of certain customer acquisition costs for acquiring customers such as payment to schools, which when incurred are recorded as Commission expenses, will now be capitalised as cost of obtaining customers which will be amortised over the period of transfer of services to customers. Further, non-refundable fees received from students, who have subsequently left, was credited to revenue when there exists reasonable certainty that the student will not join back the course, will now under Ind AS 115 be required to be anticipated and expected value to be recognised. Also, there are certain customer inducement costs for acquiring customers in the nature of cash awards, which when incurred are recorded as Prizes and scholarship expenses will now be recorded as a reduction of revenue, etc.

The Company has decided to adopt this standard by using the cumulative catch-up approach as defined under the standard and accordingly, comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. The Company does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income.

(b) Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the Restated Financial Information and is of the view that the impact is not material.

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure VI - Notes to Restated Financial Information
(Rupees in millions, unless otherwise stated)

Note 1: Restated statement of property, plant and equipment and capital work-in-progress

	Freehold land	Buildings	Plant and equipment*	Vehicles	Office equipment	Computers and Printers**	Furniture and fixtures	Lease hold Improvement	Total	Capital work-in-progress
Year ended March 31, 2014 - Proforma										
Deemed Cost as on April 1, 2013	642.57	111.56	-	57.05	116.61	22.01	41.56	293.16	1,284.52	61.82
Additions	-	30.84	-	28.44	94.96	30.60	25.00	285.52	495.36	287.87
Disposals/ adjustments during the year	-	-	-	(2.89)	(0.14)	(0.10)	(7.02)	-	(10.15)	(346.87)
Closing gross carrying amount	642.57	142.40	-	82.60	211.43	52.51	59.54	578.68	1,769.73	2.82
Accumulated depreciation										
Opening accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	2.26	-	9.30	9.22	6.34	4.37	25.87	57.36	-
Disposals/ adjustments during the year	-	-	-	(1.66)	(0.02)	(0.02)	(0.91)	-	(2.61)	-
Closing accumulated depreciation	-	2.26	-	7.64	9.20	6.32	3.46	25.87	54.75	-
Net carrying amount as at March 31, 2014	**642.57**	**140.14**	**-**	**74.96**	**202.23**	**46.19**	**56.08**	**552.81**	**1,714.98**	**2.82**
Year ended March 31, 2015 - Proforma										
Gross carrying amount										
Opening gross carrying amount	642.57	142.40	-	82.60	211.43	52.51	59.54	578.68	1,769.73	2.82
Additions	-	-	-	13.70	90.87	21.46	26.06	143.50	295.59	130.92
Disposals/ adjustments during the year	-	-	-	(5.31)	(20.12)	(1.41)	-	-	(26.84)	(132.61)
Closing gross carrying amount	642.57	142.40	-	90.99	282.18	72.56	85.60	722.18	2,038.48	1.13
Accumulated depreciation										
Opening accumulated depreciation	-	2.26	-	7.64	9.20	6.32	3.46	25.87	54.75	-
Depreciation charge during the year	-	2.26	-	13.67	68.79	23.13	9.53	86.86	204.24	-
Disposals/ adjustments during the year	-	-	-	(2.06)	(19.11)	(1.36)	-	-	(22.53)	-
Closing accumulated depreciation	-	4.52	-	19.25	58.88	28.09	12.99	112.73	236.46	-
Net carrying amount as at March 31, 2015	**642.57**	**137.88**	**-**	**71.74**	**223.30**	**44.47**	**72.61**	**609.45**	**1,802.02**	**1.13**
Year ended March 31, 2016 - Proforma										
Gross carrying amount										
Opening gross carrying amount	642.57	142.40	-	90.99	282.18	72.56	85.60	722.18	2,038.48	1.13
Additions	-	32.77	-	34.11	65.29	26.00	19.59	87.67	265.43	67.88
Disposals/ adjustments during the year	-	-	-	(18.67)	(1.28)	-	(0.29)	-	(20.24)	(41.57)
Closing gross carrying amount	642.57	175.17	-	106.43	346.19	98.56	104.90	809.85	2,283.67	27.44
Accumulated depreciation										
Opening accumulated depreciation	-	4.52	-	19.25	58.88	28.09	12.99	112.73	236.46	-
Depreciation charge during the year	-	2.75	-	15.10	72.12	23.54	11.17	101.46	226.14	-
Disposals/ adjustments during the year	-	-	-	(9.22)	(0.97)	-	-	-	(10.19)	-
Closing accumulated depreciation	-	7.27	-	25.13	130.03	51.63	24.16	214.19	452.41	-
Net carrying amount as at March 31, 2016	**642.57**	**167.90**	**-**	**81.30**	**216.16**	**46.93**	**80.74**	**595.66**	**1,831.26**	**27.44**
Year ended March 31, 2017										
Deemed Cost as on April 1, 2016	642.57	167.90	-	81.30	216.16	46.93	80.74	595.66	1,831.26	27.44
Additions	-	-	12.75	35.13	75.50	42.82	35.93	295.59	497.72	-
Assets classified as held for sale (Refer Annexure VI, Note 13)	(520.47)	(58.11)	-	-	(1.59)	-	(1.69)	-	(581.86)	-
Disposals/ adjustments during the year	-	-	-	(6.47)	(1.97)	(0.07)	(7.23)	(3.98)	(19.72)	(4.33)
Closing gross carrying amount	122.10	109.79	12.75	109.96	288.10	89.68	107.75	887.27	1,727.40	23.11

(Rupees in millions, unless otherwise stated)

Note 1: Restated statement of property, plant and equipment and capital work-in-progress

	Freehold land	Buildings	Plant and equipment*	Vehicles	Office equipment	Computers and Printers**	Furniture and fixtures	Lease hold Improvement	Total	Capital work-in-progress
Accumulated depreciation										
Opening accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	2.78	0.43	16.44	83.84	30.62	11.26	142.97	288.34	-
Assets classified as held for sale (Refer Annexure VI, Note 13)	-	(0.97)	-	-	(0.41)	-	(0.25)	-	(1.63)	-
Disposals/ adjustments during the year				(0.58)	(0.21)	(0.01)	(0.98)	(0.06)	(1.84)	-
Closing accumulated depreciation	-	1.81	0.43	15.86	83.22	30.61	10.03	142.91	284.87	-
Net carrying amount as at March 31, 2017	**122.10**	**107.98**	**12.32**	**94.10**	**204.88**	**59.07**	**97.72**	**744.36**	**1,442.53**	**23.11**
Year ended March 31, 2018										
Gross block as at April 1, 2017	122.10	109.79	12.75	109.96	288.10	89.68	107.75	887.27	1,727.40	23.11
Additions	-	-	-	2.04	36.24	33.48	17.84	114.92	204.52	-
Disposals/ adjustments during the year	(27.17)	(26.59)	(0.10)	(9.74)	(30.86)	(20.68)	(1.53)	(59.96)	(176.63)	(18.91)
Closing gross carrying amount	94.93	83.20	12.65	102.26	293.48	102.48	124.06	942.23	1,755.29	4.20
Accumulated depreciation										
Opening accumulated depreciation	-	1.81	0.43	15.86	83.22	30.61	10.03	142.91	284.87	-
Depreciation charge during the year	-	1.61	0.89	16.96	78.30	36.98	13.20	137.86	285.80	-
Disposals/ adjustments during the year	-	(0.68)	(0.10)	(2.99)	(30.78)	(20.68)	(1.52)	(50.58)	(107.33)	-
Closing accumulated depreciation	-	2.74	1.22	29.83	130.74	46.91	21.71	230.19	463.34	-
Net carrying amount as at March 31, 2018	**94.93**	**80.46**	**11.43**	**72.43**	**162.74**	**55.57**	**102.35**	**712.04**	**1,291.95**	**4.20**

Deemed cost as on April 1, 2016

	Freehold land	Buildings	Plant and equipment	Vehicles	Office equipment	Computers and Printers	Furniture and fixtures	Lease hold Improvement	Total
Gross block as on April 1, 2016	642.57	175.17	-	106.43	346.19	98.56	104.90	809.85	2,283.68
Accumulated depreciation till April 1, 2016	-	7.27	-	25.13	130.03	51.63	24.16	214.19	452.42
Net Block treated as Deemed cost upon transition	**642.57**	**167.90**	**-**	**81.30**	**216.16**	**46.93**	**80.74**	**595.66**	**1,831.26**

Deemed cost as on April 1, 2013

	Freehold land	Buildings	Plant and equipment	Vehicles	Office equipment	Computers and Printers	Furniture and fixtures	Lease hold Improvement	Total
Gross block as on April 1, 2013	642.57	111.92	-	77.56	143.60	31.50	44.72	314.12	1,365.99
Accumulated depreciation till April 1, 2013	-	0.36	-	20.51	26.99	9.49	3.16	20.96	81.47
Net Block treated as Deemed cost upon transition	**642.57**	**111.56**	**-**	**57.05**	**116.61**	**22.01**	**41.56**	**293.16**	**1,284.52**

* includes electrical installations and equipment
** includes servers and networks

Notes:

1) On transition to Ind AS, the Company has elected to continue the carrying value of all its property, plant and equipment as at April 1, 2016 measured as per Previous GAAP and to use that carrying value as the deemed cost of the property, plant and equipment. The Company has followed the same accounting policy choice as initially adopted on transition date, i.e. April 1, 2016 while preparing Restated Financial Information for the years ended March 31, 2016, 2015 and 2014.

2) During the financial year ended March 31, 2015, considering the applicability of Schedule II of the Companies Act 2013, management has re-estimated the useful lives and residual values of all the property, plant and equipment. Pursuant to this change in useful life of property, plant and equipment, the depreciation charge for the year ended March 31, 2015 is lower by INR 15.35. This adjustment has not been adjusted with retrospective effect in the preceeding financial years, as it does not represent an error/ omission or change in accounting policies.

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure VI - Notes to Restated Financial Information
(Rupees in millions, unless otherwise stated)
Note 2: Restated statement of intangible assets

	Brand	Computer software	Total
Year ended March 31, 2014 - Proforma			
Gross carrying amount			
Deemed Cost as on April 1, 2013	-	7.89	7.89
Additions	-	55.49	55.49
Closing gross carrying amount	-	63.38	**63.38**
Accumulated amortisation			
Opening accumulated amortisation	-	-	-
Amorisation charge for the year	-	4.14	4.14
Closing accumulated amortisation	-	4.14	**4.14**
Net carrying amount as at March 31, 2014	-	**59.24**	**59.24**
Year ended March 31, 2015 - Proforma			
Gross carrying amount			
Opening gross carrying amount	-	63.38	63.38
Additions	-	11.45	11.45
Disposals/ adjustments during the year	-	(2.30)	(2.30)
Closing gross carrying amount	-	72.53	72.53
Accumulated amortisation			
Opening accumulated amortisation	-	4.14	4.14
Amortisation charge for the year	-	14.27	14.27
Disposals/ adjustments during the year	-	(2.30)	(2.30)
Closing accumulated amortisation	-	16.11	16.11
Net carrying amount as at March 31, 2015	-	**56.42**	**56.42**
Year ended March 31, 2016 - Proforma			
Gross carrying amount			
Opening gross carrying amount	-	72.53	72.53
Additions	-	13.63	13.63
Closing gross carrying amount	-	86.16	86.16
Accumulated amortisation			
Opening accumulated amortisation	-	16.11	16.11
Amortisation charge for the year	-	15.47	15.47
Closing accumulated amortisation	-	31.58	31.58
Net carrying amount as at March 31, 2016	-	**54.58**	**54.58**
Year ended March 31, 2017			
Deemed cost as at April 1, 2016	-	54.58	54.58
Additions	-	17.55	17.55
Closing gross carrying amount	-	72.13	72.13
Accumulated amortisation			
Opening accumulated amortisation	-	-	-
Amortisation charge for the year	-	16.19	16.19
Closing accumulated amortisation	-	16.19	16.19
Net carrying amount as at March 31, 2017	-	**55.94**	**55.94**
Year ended March 31, 2018			
Gross carrying amount as at April 1, 2017	-	72.13	72.13
Additions	-	45.60	45.60
Closing gross carrying amount	-	117.73	117.73

Accumulated amortisation			
Opening accumulated amortisation	-	16.19	16.19
Amortisation charge for the period	-	23.35	23.35
Closing accumulated amortisation	-	39.54	39.54
Net carrying amount as at March 31, 2018	**-**	**78.19**	**78.19**

Note:

1) On transition to Ind AS, the Company has elected to continue the carrying value of all its intangible assets as at April 1, 2016 measured as per Previous GAAP and to use that carrying value as the deemed cost of the intangible assets. The company has followed the same accounting policy choice as initially adopted on transition date, i.e. April 1, 2016 while preparing Restated financial information for the years ended March 31, 2016, 2015 and 2014.

Deemed cost as on April 1, 2016

	Brand	**Computer software**	**Total**
Gross Block as on April 1, 2016	-	91.19	91.19
Accumulated amortisation till April 1, 2016	-	(36.61)	(36.61)
Net Block treated as Deemed cost upon transition	**-**	**54.58**	**54.58**

Deemed cost as on April 1, 2013

	Brand	**Computer software**	**Total**
Gross Block as on April 1, 2013	2.96	12.92	15.88
Accumulated amortisation till April 1, 2013	(2.96)	(5.03)	(7.99)
Net Block treated as Deemed cost upon transition	**-**	**7.89**	**7.89**

Note:

2) During the financial year ended March 31, 2015, considering the applicability of Schedule II of the Companies Act 2013, management has re-estimated the useful lives and residual values of all the intangible assets. Pursuant to this change in useful life of intangible assets, the amortisation charge for the year ended March 31, 2015 is lower by INR 0.09. This adjustment has not been adjusted with retrospective effect in the preceeding financial years, as it does not represent an error/ omission or change in accounting policies.

(Rupees in millions, unless otherwise stated)

Note 3(a): Restated statement of non-current investments

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 Proforma		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Investments at fair value through profit and loss (FVTPL)										
Investment in equity instruments (fully paid-up)										
Unquoted										
Equity shares of INR 10 each fully paid-up in Destination Home Private Limited	-	-	-	-	-	-	9,900	0.10	9,900	0.10
Equity shares of INR 10 each fully paid-up in Surabhi Infra & Management Services Limited*	-	-	-	-	-	-	100	0.00	100	0.00
Total non-current investments	**-**	**-**	**-**	**-**	**-**	**-**	**10,000**	**0.10**	**10,000**	**0.10**

* Amount in absolute terms is INR 1,000

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Aggregate amount of unquoted investments	-	-	-	0.10	0.10
Aggregate amount of impairment in the value of investments	-	-	-	-	-

Note: The exposure to financial risks and fair value measurement related to these financial instruments is described in Annexure VI, Note 32.

Note 3(b): Restated statement of current investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Investment at fair value through profit or loss (FVTPL)					
Mutual funds, Unquoted					
1,598,772 (March 31, 2017: Nil, March 31, 2016: Nil; March 31, 2015: Nil, March 31, 2014: Nil) units of face value of INR 100 each of ICICI Prudential Liquid - Direct Plan - Daily Dividend	160.14	-	-	-	-
149,974 (March 31, 2017: Nil, March 31, 2016: Nil; March 31, 2015: Nil, March 31, 2014: Nil) units of face value of INR 1,000 each of Tata Money Market Fund Direct Plan - Daily Dividend	150.20	-	-	-	-
9,503,634 (March 31, 2017: Nil, March 31, 2016: Nil; March 31, 2015: Nil, March 31, 2014: Nil) units of face value of INR 10 each of HDFC Arbitrage Fund - Wholesale Plan - Monthly Dividend - Direct Plan	100.00	-	-	-	-
100,015 (March 31, 2017: Nil, March 31, 2016: Nil; March 31, 2015: Nil, March 31, 2014: Nil) units of face value of INR 1,000 each of DSP BlackRock Liquidity Fund - Dir- DD	100.11	-	-	-	-
998,401 (March 31, 2017: Nil, March 31, 2016: Nil; March 31, 2015: Nil, March 31, 2014: Nil) units of face value of INR 100 each of Aditya Birla Sun Life Cash Plus - Daily Dividend - Direct Plan	100.11	-	-	-	-
8,960,951 (March 31, 2017: Nil, March 31, 2016: Nil; March 31, 2015: Nil, March 31, 2014: Nil) units of face value of INR 10 each of UTI Spread Fund - Direct Plan - Dividend Payout	149.39	-	-	-	-
19,806,821 (March 31, 2017: Nil, March 31, 2016: Nil; March 31, 2015: Nil, March 31, 2014: Nil) units of face value of INR 10 each of Edelweiss Arbitrage Fund - Monthly Dividend Direct Plan	247.65	-	-	-	-
20,000 (March 31, 2017: Nil, March 31, 2016: Nil; March 31, 2015: Nil, March 31, 2014: Nil) units of face value of INR 1,000 each of Avendus Absolute Return Fund	20.65	-	-	-	-
	1,028.25	**-**	**-**	**-**	**-**

Aggregate amount of quoted investments	-	-	-	-	-
Aggregate market value of quoted investments	-	-	-	-	-
Aggregate amount of unquoted investments	1,028.25	-	-	-	-
Aggregate amount of impairment in value of the investments	-	-	-	-	-

Note: The exposure to financial risks and fair value measurement related to these financial instruments is described in Annexure VI, Note 32.

Note 4: Restated statement of loans

Particulars	**As at March 31, 2018**		**As at March 31, 2017**		**As at March 31, 2016 Proforma**		**As at March 31, 2015 Proforma**		**As at March 31, 2014 Proforma**	
	Current	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**
Unsecured, considered good, unless stated otherwise										
Security deposits										
-to related parties (refer Annexure VI, Note 35)	205.66	-	119.67	-	104.94	-	97.53	-	87.94	-
-to others	12.87	148.63	10.26	122.91	1.06	102.90	0.73	82.51	0.01	63.73
Loan to employees	1.95	-	4.37	-	7.48	-	0.37	-	1.69	-
Total loans	**220.48**	**148.63**	**134.30**	**122.91**	**113.48**	**102.90**	**98.63**	**82.51**	**89.64**	**63.73**

Note: The exposure to financial risks and fair value measurement related to these financial instruments is described in Annexure VI, Note 32.

Notes:

1) Following are the amounts due from the Directors / Promoters / Promoter Group / Group Entities/ Relatives of Promoters / Relatives of Directors / other related parties:

Particulars	**As at March 31, 2018**		**As at March 31, 2017**		**As at March 31, 2016 Proforma**		**As at March 31, 2015 Proforma**		**As at March 31, 2014 Proforma**	
	Current	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**
-Mr. J C Chaudhry	202.01	-	117.35	-	102.73	-	95.43	-	85.94	-
-Mr. Aakash Chaudhry	3.65	-	2.32	-	2.21	-	2.10	-	2.00	-
Total	**205.66**	**-**	**119.67**	**-**	**104.94**	**-**	**97.53**	**-**	**87.94**	**-**

2) List of persons/ entities classified as 'Promoters', 'Promoter Group' , 'Relatives of Promoters', 'Relatives of Directors' and 'Group Entities' has been determined by the management.

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure VI - Notes to Restated Financial Information
(Rupees in millions, unless otherwise stated)

Note 5: Restated statement of trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Unsecured, considered good	214.43	200.82	341.65	207.75	89.62
Unsecured, considered doubtful	11.61	5.04	1.40	0.32	-
	226.04	**205.86**	**343.05**	**208.07**	**89.62**
Less : Allowance for doubtful debts	(11.61)	(5.04)	(1.40)	(0.32)	-
Total trade receivables	**214.43**	**200.82**	**341.65**	**207.75**	**89.62**

Note: The exposure to financial risks and fair value measurement related to these financial instruments is described in Annexure VI, Note 32.

Note 6: Restated statement of cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Balance with banks					
- in current accounts	286.88	213.83	131.28	111.51	78.18
Fixed deposits with original maturity of less than three months	-	-	-	2.26	54.53
Cash on hand	44.69	9.07	34.33	38.07	17.14
Total cash and cash equivalents	**331.57**	**222.90**	**165.61**	**151.84**	**149.85**

Note: The exposure to financial risks and fair value measurement related to these financial instruments is described in Annexure VI, Note 32.

Note 7: Restated statement of bank balances other than cash and cash equivalents, above

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Fixed deposits with original maturity for more than three months but less than twelve months **#	356.37	0.60	-	-	-
Total bank balances other than cash and cash equivalents, above	**356.37**	**0.60**	**-**	**-**	**-**

** Deposits amounting to INR 300.00 as at March 31, 2018, INR Nil as at March 31, 2017, INR Nil as at March 31, 2016, INR Nil as at March 31, 2015 and INR Nil as at March 31, 2014 is held as as security against the overdraft facility taken from HDFC bank.
# Includes INR 5.81 (March 31 2017, INR 0.60; March 31, 2016, INR Nil; March 31, 2015 INR Nil; March 31, 2014, INR Nil) fixed deposits are held as lien by bank against bank guarantees.

Note: The exposure to financial risks and fair value measurement related to these financial instruments is described in Annexure VI, Note 32.

(Rupees in millions, unless otherwise stated)

Note 8: Restated statement of other financial assets

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 Proforma		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Unsecured, considered good										
Fixed deposits with banks with maturity period for more than 12 months*	-	0.15	7.52	0.28	-	7.21	-	4.30	-	4.30
Interest accrued but not due on banks deposits	3.47	-	0.10	-	0.10	-	0.09	-	1.23	-
Advance for purchase of mutual funds	-	-	70.00	-	-	-	-	-	-	-
Total other financial assets	**3.47**	**0.15**	**77.62**	**0.28**	**0.10**	**7.21**	**0.09**	**4.30**	**1.23**	**4.30**

* Fixed deposits amounting to INR 0.15 as at March 31, 2018, INR 7.56 as at March 31, 2017, INR 4.93 as at March 31, 2016, INR 4.30 as at March 31, 2015 and INR 4.30 as at March 31, 2014 is held as lien by bank against bank guarantees.
Note: The exposure to financial risks and fair value measurement related to these financial instruments is described in Annexure VI, Note 32.

Note 9: Restated statement of other assets

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 Proforma		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Unsecured, considered good										
Capital advances	-	32.99	-	32.60	-	49.17	-	39.91	-	28.92
Advances other than capital advances										
Advances to related parties (Refer Annexure VI, Note 35)	-	-		-	-	-	-	0.99	0.29	0.94
Gratuity plan assets	-	-	-	-	-	-	-	-	1.36	-
Prepaid expenses	52.85	74.96	19.30	66.86	18.31	54.88	12.31	48.47	11.52	37.62
Advance to employees	2.87	-	3.82	-	1.96	-	2.45	-	2.12	-
Advance to suppliers for goods and services	32.20	-	11.35	-	6.30	-	3.99	-	10.81	-
Balance with government authorities	44.00	2.37	37.67	2.36	61.54	2.37	46.17	2.37	39.51	2.34
Other receivables	0.07	-	0.34	-	2.10	-	3.24	-	2.72	-
Unsecured and considered doubtful										
Other receivables	1.15	-	1.15	-	1.26	-	1.26	-	0.45	-
Less: Allowance for doubtful advances	(1.15)	-	(1.15)	-	(1.26)	-	(1.26)	-	(0.45)	-
Total other assets	**131.99**	**110.32**	**72.48**	**101.82**	**90.21**	**106.42**	**68.16**	**91.74**	**68.33**	**69.82**

Notes:

1) Following are the amounts due from the Directors / Promoters / Promoter Group / Group Entities/ Relatives of Promoters / Relatives of Directors/ other related parties:

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 Proforma		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Destination Home Private Limited	-	-	-	-	-	-	-	0.99	-	0.94
Mr. J C Chaudhry	-	-	-	-	-	-	-	-	0.28	-
Mr. Aakash Chaudhry	-	-	-	-	-	-	-	-	0.01	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.99**	**0.29**	**0.94**

2) List of persons/ entities classified as 'Promoters', 'Promoter Group' , 'Relatives of Promoters', 'Relatives of Directors' and 'Group Entities' has been determined by the management.

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure VI - Notes to Restated Financial Information
(Rupees in millions, unless otherwise stated)

Note 10: Restated statement of deferred tax assets/ (liabilities) (net)

(a) The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Deferred tax assets					
Property, plant and equipment and intangible assets	68.74	28.60	-	-	-
Defined benefit obligations	70.57	66.74	33.30	26.77	9.19
Allowance for doubtful trade receivables and advances	4.46	4.30	4.08	2.80	2.95
Rent equalisation reserve	8.34	7.60	5.02	3.34	2.08
Deferred revenue	167.12	479.78	380.66	335.96	206.08
Others	9.78	5.80	1.62	1.08	0.54
Total deferred tax assets (A)	**329.01**	**592.82**	**424.68**	**369.95**	**220.84**
Deferred tax liabilities					
Property, plant and equipment and intangible assets	-	-	(12.50)	(32.12)	(45.33)
Others	(19.64)	(14.78)	(10.69)	(1.30)	(0.54)
Total deferred tax liabilities (B)	**(19.64)**	**(14.78)**	**(23.19)**	**(33.42)**	**(45.87)**
Net deferred tax assets / (liabilities) (A-B) (Refer Note 1 below)	**309.37**	**578.04**	**401.49**	**336.53**	**174.97**

(b) Unrecognised temporary differences

The Company has not recognised deferred tax assets on capital loss of INR 167.52 as at March 31, 2018, March 31, 2017: INR 160.77, March 31, 2016: INR Nil, March 31, 2015: INR Nil, March 31, 2014: INR Nil on sale of property. The Company estimates, there is no reasonable certainty that the difference will reverse in the forseable future and taxable long-term capital gains will be available against which the temporary difference can be utilised. The losses can be carried forward for a period of 8 years as per local tax regulations from the year of sale.

(c) Movement in deferred tax assets/ (liabilities)

Particulars	Property, plant and equipment and intangible assets	Defined benefit obligations	Allowance for doubtful trade receivables and advances	Rent equalisation reserve	Deferred revenue	Others	Total
At March 31, 2013 (Proforma)	(19.04)	6.77	1.35	0.78	87.07	(1.00)	75.94
(Charged)/credited:							
- to profit or loss	(26.29)	1.65	1.60	1.30	119.01	1.00	98.26
- to other comprehensive income	-	0.77	-	-	-	-	0.77
At March 31, 2014 (Proforma)	**(45.33)**	**9.19**	**2.95**	**2.08**	**206.08**	**0.00**	**174.97**
(Charged)/credited:							
- to profit or loss	13.21	13.99	(0.15)	1.26	129.88	(0.22)	157.97
- to other comprehensive income	-	3.59	-	-	-	-	3.59
At March 31, 2015 (Proforma)	**(32.12)**	**26.77**	**2.80**	**3.34**	**335.96**	**(0.22)**	**336.53**
(Charged)/credited:							
- to profit or loss	19.62	3.10	1.28	1.68	44.70	(8.84)	61.53
- to other comprehensive income	-	3.43	-	-	-	-	3.43
At March 31, 2016 (Proforma)	**(12.50)**	**33.30**	**4.08**	**5.02**	**380.66**	**(9.06)**	**401.49**
(Charged)/credited:							
- to profit or loss	41.10	26.83	0.22	2.58	99.12	0.08	169.94
- to other comprehensive income	-	6.61	-	-	-	-	6.61
At March 31, 2017	**28.60**	**66.74**	**4.30**	**7.60**	**479.78**	**(8.98)**	**578.04**
(Charged)/credited:							
- to profit or loss	40.14	20.01	0.16	0.74	(312.66)	(0.88)	(252.49)
- to other comprehensive income	-	(16.18)	-	-	-	-	(16.18)
At March 31, 2018	**68.74**	**70.57**	**4.46**	**8.34**	**167.12**	**(9.86)**	**309.37**

(d) Income tax expense recognised in restated statement of profit and loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Current tax					
Current tax on profits for the year	**572.24**	591.84	469.86	333.25	287.78
Total current tax expense	**572.24**	**591.84**	**469.86**	**333.25**	**287.78**
Deferred tax					
Decrease/(increase) in deferred tax assets	247.63	(161.53)	(51.30)	(145.52)	(121.60)
(Decrease)/increase in deferred tax liabilities	4.86	(8.41)	(10.22)	(12.45)	23.34
Total deferred tax expense/(benefit)	**252.49**	**(169.93)**	**(61.52)**	**(157.97)**	**(98.26)**
Total income tax expense *	**824.73**	**421.91**	**408.34**	**175.28**	**189.52**

* This excludes net deferred tax benefit on other comprehensive income

(e) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Profit before income tax expense	2,426.57	1,057.44	1,167.08	534.13	568.86
Tax rate (%)	34.61%	34.61%	34.61%	33.99%	33.99%
Tax at the Indian tax rate (Refer Note 1 below)	**839.78**	**365.94**	**403.90**	**181.54**	**193.36**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:					
Corporate social responsibility expenditure	-	0.48	0.03	-	-
Interest on income tax	0.24	2.44	2.77	-	-
Losses taxable at different tax rate	0.78	17.54	-	-	-
Income not considered for tax purpose/ Exempt income	(18.16)	(4.16)	-	-	-
Donation	0.32	0.10	0.30	0.11	0.18
Wealth tax	-	-	-	0.17	0.16
Impact due to change in income tax rate	(2.96)	-	-	(6.55)	(4.05)
Others	3.19	1.46	1.32	-	(0.11)
Losses which are not allowable on which no deferred tax has been created	1.55	38.11	-	-	-
Income tax expense	**824.73**	**421.91**	**408.34**	**175.28**	**189.52**

Notes

1) The increase in the Indian corporate tax rate from 32.45% to 33.99% was substantively enacted on Feb 28, 2013 and was effective from April 1, 2013. Further, increase in Indian corporate tax rate from 33.99% to 34.61% was substantively enacted on July 10, 2014 and was effective from April 1, 2014. Also, increase in Indian corporate tax rate from 34.61% to 34.94% was substantively enacted on Feb 1, 2018 and was effective from April 1, 2018. As a result, the relevant deferred tax balances have been remeasured as at the respective balance sheet date based on the substantively enacted rate.
The impact of the change in tax rate has been recognised in tax expense in the Restated Statement of Profit and Loss, except to the extent that it relates to items previously recognised outside Statement of Profit and Loss. For the Company, such items include in particular remeasurements of post-employment benefit liabilities.

(Rupees in millions, unless otherwise stated)

Note 11: Restated statement of inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
(valued at lower of cost and net realisable value)					
Stock-in-trade	28.02	40.60	63.66	27.12	9.65
Total inventories	**28.02**	**40.60**	**63.66**	**27.12**	**9.65**

Note 12: Restated statement of income tax assets (net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Income tax assets [net of current income tax liabilities of INR 1,163.31 (March 31, 2017: INR 591.07, March 31, 2016: INR 232.43; March 31, 2015: INR Nil, March 31, 2014: INR Nil)]	283.36	22.95	19.10	19.10	18.02
Total income tax assets (net)	**283.36**	**22.95**	**19.10**	**19.10**	**18.02**

Note 13: Restated statement of assets classified as held for sale

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Freehold land	-	359.70	-	-	-
Buildings	-	39.48	-	-	-
Office equipment	-	0.82	-	-	-
Furniture and fixtures	-	1.00	-	-	-
Total assets classified as held for sale (refer to note 1 below)	**-**	**401.00**	**-**	**-**	**-**

Note:

1) During the year ended March 31, 2017, the directors of the Company decided to sell the land, buildings and other assets of the premises situated at N-11, South Extension, Part I, New Delhi mentioned in Annexure VI, Note 13 above to Mr. J C Chaudhry, the Managing Director of the Company. In April 2017, this was approved by the shareholders and the sale was completed in April 2017.

The assets classified as held for sale during the year ended March 31, 2017 was measured at the lower of its carrying amount and fair value less costs to sell at the time of reclassification, resulting in the recognition of a write down of INR 179.23 as impairment loss in the Restated Statement of Profit and Loss. The fair value of the assets was determined using the market value approach. This is a level 2 measurement as per the fair value hierarchy set out in the fair value measurement disclosures (Annexure VI, Note 31). The key inputs under the approach are prices of comparable immovable properties in the similar location as determined by an independent valuer.

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure VI - Notes to Restated Financial Information
(Rupees in millions, unless otherwise stated)

Note 14 (a): Restated statement of equity share capital

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 Proforma		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised share capital										
Equity shares of INR 10 each	50,000,000	500.00	25,000,000	250.00	25,000,000	250.00	25,000,000	250.00	25,000,000	250.00
	50,000,000	**500.00**	**25,000,000**	**250.00**	**25,000,000**	**250.00**	**25,000,000**	**250.00**	**25,000,000**	**250.00**
Issued, subscribed and paid up capital										
Equity shares of INR 10 each fully paid up	27,772,755	277.73	9,141,413	91.41	9,141,413	91.41	9,141,413	91.41	9,141,413	91.41
	27,772,755	**277.73**	**9,141,413**	**91.41**	**9,141,413**	**91.41**	**9,141,413**	**91.41**	**9,141,413**	**91.41**

(i). **Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 Proforma		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Share outstanding at the beginning of the year	9,141,413	91.41	9,141,413	91.41	9,141,413	91.41	9,141,413	91.41	9,141,413	91.41
Add: Shares issued during the year:										
Employee Stock Option Scheme (Refer Annexure VI, Note	10,970	0.11	-	-	-	-	-	-	-	-
Bonus Issue	18,304,766	183.05	-	-	-	-	-	-	-	-
Right Issue	315,606	3.16	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year	**27,772,755**	**277.73**	**9,141,413**	**91.41**	**9,141,413**	**91.41**	**9,141,413**	**91.41**	**9,141,413**	**91.41**

Terms and rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to his/ her share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

Shares reserved for issue under options

Information relating to Aakash Educational Services Private Limited Employee Stock Option Plan, 2015, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting year, is set out in Annexure VI, Note 39.

Right issue

On March 10, 2018, the Company invited its shareholders to subscribe to a right issue of 315,606 equity shares at an issue price of INR 1,275 per share, which were alloted as on March 29, 2018, the said equity shares shall rank pari-passu with existing equity shares of the Company in all respect. The issue was fully subscribed and paid up.

(ii). **Details of shareholders holding more than 5% shares in the Company**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 Proforma		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Name of shareholder										
Mr. J C Chaudhry, Managing Director	25,007,525	90.04%	8,241,116	90.15%	8,241,116	90.15%	8,241,116	90.15%	8,241,116	90.15%

(iii). **Aggregate number of shares issued for consideration other than cash and bonus shares issued during the period of five years immediately preceding the financial year March 31, 2018**

Particulars	**As at March 31, 2018**		**As at March 31, 2017**		**As at March 31, 2016 Proforma**		**As at March 31, 2015 Proforma**		**As at March 31, 2014 Proforma**	
	Number of shares	**Amount**	**Number of shares**	**Amount**	**Number of shares**	**Amount**	**Number of shares**	**Amount**	**Number of shares#**	**Amount#**
Equity shares issued without consideration	18,304,766	183.05	-	-	-	-	-	-	-	-

#2,944,275 equity shares of INR 10 each out of the issued, subscribed and fully paid up share capital were allotted pursuant to contracts without payment being received in cash during the financial year ended March 31, 2009.

Other note:

1) The Shareholders' at the Annual General Meeting ('AGM') of the Company held on September 26, 2017, approved increase in authorised share capital of the Company from INR 250.00 comprising of 25,000,000 equity shares of INR 10 each to INR 500.00 comprising of 50,000,000 equity shares of INR 10 each.

2) Refer Annexure VI, Note 42 for issue of bonus shares and sub division of face value of shares subsequent to March 31, 2018.

Note 14 (b): Details of Other equity

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 Proforma**	**As at March 31, 2015 Proforma**	**As at March 31, 2014 Proforma**
General reserve	14.80	198.03	198.03	198.03	141.19
Retained earnings	(134.96)	(149.58)	564.17	527.06	392.52
Share options outstanding account	13.68	9.52	3.81	-	-
Security premium	417.39	-	-	-	-
Other comprehensive income	-	-	-	-	-
Total other equity	**310.91**	**57.97**	**766.01**	**725.09**	**533.71**

Nature and purpose of other reserves

General reserve

General reserve represents the statutory reserve created in accordance with Indian Corporate law, wherein a portion of profit is required to be apportioned to such reserve. Under the Companies Act, 1956, it was mandatory to transfer a required amount to general reserve before a company could declare dividend, however, under the Companies Act, 2013, the transfer of any amount to general reserve is at the discretion of the Company. This reserve can be utilised to issue bonus shares and to pay dividends.

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 Proforma**	**As at March 31, 2015 Proforma**	**As at March 31, 2014 Proforma**
Opening balance	198.03	198.03	198.03	141.19	79.92
Transferred from retained earnings	-	-	-	56.84	61.27
Bonus issue	(183.23)	-	-	-	-
Closing balance	**14.80**	**198.03**	**198.03**	**198.03**	**141.19**

Retained earnings

Retained earnings represent the undistributed profits of the Company

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 Proforma**	**As at March 31, 2015 Proforma**	**As at March 31, 2014 Proforma**
Opening balance	(149.58)	564.17	527.06	392.52	343.45
Profit for the year	1,601.84	635.53	758.74	358.85	379.34
Other Comprehensive Income	30.13	(12.49)	(6.47)	(7.05)	(1.63)
Transfer to general reserve	-	-	-	(56.84)	(61.27)
Final dividend [including dividend distribution tax INR Nil (March 31, 2017: INR 14.89, March 31, 2016: INR Nil, March 31, 2015: INR Nil, March 31, 2014: INR Nil)]^	-	(88.02)	-	-	-
Interim dividend paid (including dividend distribution tax INR 273.56 (March 31, 2017: INR 211.23, March 31, 2016: INR 120.96, March 31, 2015: INR 23.30, March 31, 2014: INR 38.84)^	(1,617.35)	(1,248.77)	(715.16)	(160.42)	(267.37)
Closing balance	**(134.96)**	**(149.58)**	**564.17**	**527.06**	**392.52**

^Dividends

The following dividends were declared and paid by the Company

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Final dividend of INR Nil (March 31, 2017: INR 8.00 per share, March 31, 2016: INR Nil, March 31, 2015: INR Nil, March 31, 2014: INR Nil)	-	73.13	-	-	-
Interim dividend of INR 147.00 per share* (March 31, 2017: INR 113.50 per share**, March 31, 2016: INR 65.00 per share***, March 31, 2015: INR 15.00 per share****, March 31, 2014: INR 25.00 per share*****)	1,343.79	1,037.55	594.19	137.12	228.53

* The Company had declared interim dividend of INR 147.00 per equity share on 9,141,413 shares of INR 10 each for the financial year ended March 31, 2018 on April 13, 2017, May 01, 2017, May 22, 2017, June 09, 2017 and July 17, 2017 amounting to INR 70.00, INR 22.00, INR 11.00, INR 11.00 and INR 33.00 per share respectively.

** The Company had declared interim dividend of INR 113.50 per equity share on 9,141,413 shares of INR 10 each for the financial year ended March 31, 2017 on July 13, 2016, August 16, 2016, October 04, 2016, November 23, 2016 and January 12, 2017 amounting to INR 25.00, INR 37.50, INR 20.00, INR 20.00 and INR 11.00 per share respectively.

*** The Company had declared interim dividend of INR 65.00 per equity share on 9,141,413 shares of INR 10 each for the financial year ended March 31, 2016 on on July 28, 2015, November 17, 2015 and March 26, 2016 amounting to INR 15.00, INR 45.00 and INR 5.00 per share respectively.

**** The Company had declared interim dividend of INR 15.00 per equity share on 9,141,413 shares of INR 10 each for the financial year ended March 31, 2015 on September 8, 2014.

***** The Company had declared interim dividend of INR 25.00 per equity share on 9,141,413 shares of INR 10 each for the financial year ended March 31, 2014 on September 5, 2013.

Security Premium

Security premium represents share issued at premium less share issue expenses.

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Opening balance	-	-	-	-	-
Employee stock options exercised during the year	3.54	-	-	-	-
Shares issued during the year at premium [net of share issue expenses of INR 0.02 (March 31, 2017: INR Nil, March 31, 2016: INR Nil, March 31, 2015: INR Nil, March 31, 2014: INR Nil)]	413.85	-	-	-	-
Closing balance	**417.39**	**-**	**-**	**-**	**-**

Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Aakash Educational Services Private Limited Employee Stock Options Plan, 2015.

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Opening balance	9.52	3.81	-	-	-
Employee stock option expense	7.70	5.71	3.81	-	-
Employee stock options exercised during the year	(3.54)	-	-	-	-
Closing balance	**13.68**	**9.52**	**3.81**	**-**	**-**

Other comprehensive income

This represents item of income and expense that are not recognised in profit and loss but are shown in statement of restated profit and loss as "Other comprehensive inocme". This comprises remeasurement of defined benefit plan which is subsequently transferred to retained earnings.

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Opening balance	-	-	-	-	-
Remeasurements of defined benefit liability/ (asset) (net of tax)	30.13	(12.49)	(6.47)	(7.05)	(1.63)
Transfer to retained earnings	(30.13)	12.49	6.47	7.05	1.63
Closing balance	**-**	**-**	**-**	**-**	**-**

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure VI - Notes to Restated Financial Information
(Rupees in millions, unless otherwise stated)

Note 15: Restated statement of borrowings

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 Proforma		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Secured										
Term loans										
Indian Rupee loan from banks (Refer Note 1 below)	-	-	-	-	-	-	6.88	-	56.70	171.88
Vehicle loans										
Indian Rupee loan from banks (Refer Note 2 below)	-	-	-	-	5.15	7.69	-	-	-	-
Total borrowings	**-**	**-**	**-**	**-**	**5.15**	**7.69**	**6.88**	**-**	**56.70**	**171.88**

Notes:

1) Key terms and breakdown of term loans are as follows:

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 Proforma		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
(a) **Term loan from banks - Secured**										
ICICI Bank (Refer Note (b) below)	-	-	-	-	-	-	6.88	-	56.70	171.88
Total	**-**	**-**	**-**	**-**	**-**	**-**	**6.88**	**-**	**56.70**	**171.88**

(b) The term loan from ICICI Bank Limited was taken during the financial year 2011-12, carried interest rate of 12.00% per annum and the loan amount was repayable in 84 equal monthly installments. The loan was secured against the immovable properties of the Company situated at N-11, NDSE-I, New Delhi. During the financial year ended March 31, 2013, the interest rate on the said loan was revised by the bank to 12.25% per annum. The Company had made an early partial repayment of the loan facility amounting to INR 0.09 during the financial year ended March 31, 2013, INR 165.00 during the financial year ended March 31, 2015 and the remaining outstanding amount was fully repaid during the year ended March 31, 2016.

(c) Current maturities of term loan amounting to INR Nil (March 31, 2017: INR Nil, March 31, 2016: INR Nil, March 31, 2015: INR 6.88 and March 31, 2014: INR 56.70) have been disclosed under 'Other financial liabilities' (refer Annexure VI, Note 18).

2) Key terms and breakdown of vehicle loans are as follows:

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 Proforma		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
(a) **Vehicle loan from banks - Secured**										
HDFC Bank Limited (Refer Note (b) below)	-	-	-	-	5.15	7.69	-	-	-	-
Total	**-**	**-**	**-**	**-**	**5.15**	**7.69**	**-**	**-**	**-**	**-**

(b) The vehicle loan from HDFC Bank Limited having interest rate of 9.70% per annum was repayable in 36 equal monthly installments beginning from August 2015 and is secured against hypothecation of vehicle. Repayment was due on July 2018. However, during the financial year ended March 31, 2017, the Company had made early repayment of the entire loan facility including the prepayment penalty of INR 0.28.

(c) Current maturities of vehicle loan amounting to INR Nil (March 31, 2017: INR Nil, March 31, 2016: INR 5.15, March 31, 2015: INR Nil and March 31, 2014: INR Nil) have been disclosed under 'Other financial liabilities' (refer Annexure VI, Note

Note: The exposure to financial risks and fair value measurement related to these financial instruments is described in Annexure VI, Note 32.

(Rupees in millions, unless otherwise stated)

Note 16: Restated statement of current borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Loan repayable on demand					
Secured					
Bank overdrafts (Refer Note 1 below)	-	-	-	-	47.50
Unsecured					
Bank overdrafts (Refer Note 1 below)	-	-	-	68.22	127.13
Total current borrowings	**-**	**-**	**-**	**68.22**	**174.63**

Net debt reconcilliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented:-

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Cash and cash equivalents	331.57	222.90	165.61	151.84	149.85
Less:					
Current borrowings	-	-	-	68.22	174.63
Non current borrowings (including current portion of long-term borrowings)	-	-	12.83	6.88	228.58
Net debt	**331.57**	**222.90**	**152.78**	**76.74**	**(253.36)**

	Cash and cash equivalents and bank overdrafts	Liabilities from financing activities		Total
		Non Current Borrowings	Loan from related parties	
Opening Balance as on April 1, 2013	**45.44**	**(279.56)**	**(90.00)**	**(324.12)**
Cash flows	(70.22)	50.99	90.00	70.77
Interest expense	-	(39.06)	-	(39.06)
Interest paid	-	39.06	-	39.06
				-
Net debt as on March 31, 2014	**(24.78)**	**(228.57)**	**-**	**(253.35)**
Cash flows	108.40	221.70	-	330.10
Interest expense	-	(13.24)	-	(13.24)
Interest paid	-	13.24	-	13.24
Net debt as on March 31, 2015	**83.62**	**(6.87)**	**-**	**76.74**
Cash flows	81.99	(5.95)	-	76.04
Interest expense	-	(3.62)	-	(3.62)
Interest paid	-	3.62	-	3.62
Net debt as on March 31, 2016	**165.61**	**(12.82)**	**-**	**152.78**
Cash flows	57.29	12.83	-	70.12
Interest expense	-	(1.43)	-	(1.43)
Interest paid	-	1.43	-	1.43
Net debt as on March 31, 2017	**222.90**	**-**	**-**	**222.90**
Cash flows	108.67	-	-	108.67
Interest expense	-	-	-	-
Interest paid	-	-	-	-
Net debt as on March 31, 2018	**331.57**	**-**	**-**	**331.57**

Notes:

1) Key terms and breakdown of bank overdrafts are as follows:

	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
(a)	**Bank overdrafts from banks**					
	Dropline overdraft from HDFC Bank -unsecured (Refer Note (b) below)	-	-	-	-	48.36
	Overdraft from HDFC Bank -secured (Refer Note (c) below)	-	-	-	-	47.50
	Home saver overdraft from Standard Chartered Bank - unsecured (Refer Note (d) below)	-	-	-	68.22	78.77
	Total	**-**	**-**	**-**	**68.22**	**174.63**

(b) Represents balance in dropline overdraft facility with HDFC Bank Limited was secured against the immovable personal property of Mr. J C Chaudhry, Managing Director of the Company situated at K-11, NDSE-1, New Delhi. This loan carried interest rate of 12.00% per annum.

(c) Overdraft from HDFC Bank carried interest rate of 10.75% per annum was secured against the fixed deposits of the Company.

(d) Represents balance in home saver overdraft facility with Standard Chartered Bank was secured against the personal property of Mr. J C Chaudhry, Managing Director of the Company situated at K-12, NDSE-1, New Delhi. This loan carried interest rate of 11.50% per annum.

Note: The exposure to financial risks and fair value measurement related to these financial instruments is described in Annexure VI, Note 32.

Note 17: Restated statement of trade payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Trade payables					
- total outstanding dues of micro enterprises and small enterprises (Refer Annexure VI, Note 38)	2.35	0.50	0.46	0.22	0.07
- total outstanding dues of creditors other than micro enterprises and small enterprises	323.63	161.96	161.74	172.31	280.54
Trade payables to related parties (Refer Annexure VI, Note 35)	0.12	0.69	0.55	0.31	0.33
Total trade payables	**326.10**	**163.15**	**162.75**	**172.84**	**280.94**

Note: The exposure to financial risks and fair value measurement related to these financial instruments is described in Annexure VI, Note 32.

(Rupees in millions, unless otherwise stated)

Note 18: Restated statement of other financial liabilities

Particulars	**As at March 31, 2018**		**As at March 31, 2017**		**As at March 31, 2016 Proforma**		**As at March 31, 2015 Proforma**		**As at March 31, 2014 Proforma**	
	Current	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**
Current maturities of long-term borrowings (Refer Annexure VI,	-	-	-	-	5.15	-	6.88	-	56.70	-
Security deposits	271.93	-	84.21	-	6.03		4.78	-	3.62	-
Employee benefits payable *	126.83	7.84	182.18	5.29	213.62	3.50	145.71	0.04	109.11	-
Book overdraft	0.10	-	0.21	-	3.32	-	106.03	-	49.39	-
Capital creditors										
- total outstanding dues of micro enterprises and small enterprises (Refer Annexure VI, Note 39)	0.02	-	0.11	-	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	58.67	-	56.39	-	7.98	-	-	-	-	-
Interest accrued	-	-	-	-	-	-	-	-	0.38	-
Other payables **	6.08	-	49.13	-	17.33	-	13.67	-	14.47	-
Total other financial liabilities	**463.63**	**7.84**	**372.23**	**5.29**	**253.43**	**3.50**	**277.07**	**0.04**	**233.67**	**-**

* Includes amount due to Managing Director and Whole Time Director as at March 31, 2018: INR Nil, March 31, 2017: INR 89.00, March 31, 2016: INR 27.16, March 31, 2015: INR 18.92 and March 31, 2014 : INR 19.32.
** Includes amount due to a Director as at March 31, 2018: INR 0.41, March 31, 2017: INR 44.50, March 31, 2016: INR 13.79, March 31, 2015: INR 9.46 and March 31, 2014: INR 9.66.

Note: The exposure to financial risks and fair value measurement related to these financial instruments is described in Annexure VI, Note 32.

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure VI - Notes to Restated Financial Information
(Rupees in millions, unless otherwise stated)

Note 19: Restated statement of provisions

	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 Proforma		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma	
	Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current
Provision for employee benefits										
Provision for defined benefit plans (gratuity)	56.22	40.48	52.53	36.53	29.86	28.51	19.02	8.06	-	-
Provision for compensated absences	33.70	71.54	35.32	86.73	22.15	51.68	14.58	33.96	8.91	19.48
	89.92	**112.02**	**87.85**	**123.26**	**52.01**	**80.19**	**33.60**	**42.02**	**8.91**	**19.48**

(i) Defined contribution plans
Provident Fund :
Contributions are made to provident fund in India for employees at the rate prevailing as per relevant statute. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.
An amount of INR 21.81 (March 31, 2017: INR 19.00, March 31, 2016: INR 13.96, March 31, 2015: INR 8.94, March 31, 2014: INR 3.77) has been recognised as an expense in respect of the Company's contribution to Provident Fund deposited with the relevant authorities and has been shown under Employee benefit expenses in the Restated Statement of Profit and Loss.

(ii) Defined Benefit Plans
Gratuity (funded) :
The Company operates a gratuity plan through the "Aakash Educational Services Limited Employee Group Gratuity Trust". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with The Payment of Gratuity Act, 1972. The same is payable to all eligible employees of the company at the time of retirement, separation, death or permanent disablement, in terms of the provisions of The Payment of Gratuity Act, 1972, whichever is earlier.

(iii) Other Long term benefits

Compensated absences (unfunded) :
The Company provides for accumulated leave benefit for eligible employees which is payable at the time of separation from the Company or retirement, whichever is earlier subject to maximum of 45 days (90 days for year ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014) based on last drawn salary. Liabilities with regard to compensated absence scheme are determined by actuarial valuation. Accumulated leaves above 45 days at the end of financial year are lapsed (for year ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 encashable by employees above 90 days based on last drawn salary and are paid to them on same being applied by the employee)

Assets and liabilities relating to Employee benefits are as follows-

	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Net defined benefit liability- Gratuity	185.32	181.32	114.19	73.22	43.41
Total defined benefit liabilities	**185.32**	**181.32**	**114.19**	**73.22**	**43.41**
Net defined benefit asset- Gratuity	(88.62)	(92.26)	(55.81)	(46.14)	(44.77)
Total Defined benefit asset- Non Current	**(88.62)**	**(92.26)**	**(55.81)**	**(46.14)**	**(44.77)**
Defined benefit liability- gratuity (net)	96.70	89.06	58.38	27.08	(1.36)
Total Defined benefit	**96.70**	**89.06**	**58.38**	**27.08**	**(1.36)**
Defined benefit liability- gratuity (current)	56.22	52.53	29.86	19.02	-
Defined benefit liability- gratuity (non-current)	40.48	36.53	28.51	8.06	-
Total	**96.70**	**89.06**	**58.37**	**27.08**	**-**

Balance sheet amounts – Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Gratuity		
	Present value of obligation	**Fair value of plan assets**	**Net amount**
April 1, 2013	**28.95**	**(42.09)**	**(13.14)**
Current service cost	10.42	-	**10.42**
Interest expense/(income)	2.29	(3.33)	**(1.04)**
Total amount recognised in Restated Statement of Profit and Loss	**12.71**	**(3.33)**	**9.38**
Remeasurements			
Return on plan assets	-	(0.33)	**(0.33)**
(Gain)/loss from change in demographic assumptions	-	-	**-**
(Gain)/loss from change in financial assumptions	3.60	-	**3.60**
Experience (gains)/losses	(0.87)	-	**(0.87)**
Total amount recognised in Restated Other Comprehensive Income	**2.73**	**(0.33)**	**2.40**
Employer contributions	-	-	-
Benefit payments	(0.97)	0.97	-
March 31, 2014 - Proforma	**43.41**	**(44.77)**	**(1.36)**
	-		
April 1, 2014	**43.41**	**(44.77)**	**(1.36)**
Current service cost	18.00	-	**18.00**
Interest expense/(income)	3.82	(3.94)	**(0.12)**
Total amount recognised in Restated Statement of Profit and Loss	**21.82**	**(3.94)**	**17.88**
Remeasurements			
Return on plan assets		0.04	**0.04**
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	2.56	-	**2.56**
Experience (gains)/losses	8.04	-	**8.04**
Total amount recognised in Restated Other Comprehensive Income	**10.60**	**0.04**	**10.64**
Employer contributions	-	(0.06)	**(0.06)**
Benefit payments	(2.60)	2.60	-
March 31, 2015- Proforma	**73.22**	**(46.14)**	**27.08**
April 1, 2015	**73.22**	**(46.14)**	**27.08**
Current service cost	26.39	-	**26.39**
Interest expense/(income)	5.64	(3.55)	**2.09**
Total amount recognised in Restated Statement of Profit and Loss	**32.03**	**(3.55)**	**28.47**

Remeasurements			
Return on plan assets		(0.73)	**(0.73)**
(Gain)/loss from change in demographic assumptions	-	-	**-**
(Gain)/loss from change in financial assumptions	0.37	-	**0.37**
Experience (gains)/losses	10.27	-	**10.27**
Total amount recognised in Restated Other Comprehensive Income	**10.64**	**(0.73)**	**9.90**
Employer contributions	-	(7.09)	**(7.09)**
Benefit payments	(1.70)	1.70	**-**
March 31, 2016 - Proforma	**114.19**	**(55.81)**	**58.38**
April 1, 2016	**114.19**	**(55.81)**	**58.38**
Current service cost	42.73	-	**42.73**
Interest expense/(income)	8.68	(4.24)	**4.44**
Total amount recognised in Restated Statement of Profit and Loss	**51.41**	**(4.24)**	**47.17**
Remeasurements			
Return on plan assets	-	(1.96)	**(1.96)**
(Gain)/loss from change in demographic assumptions	6.51	-	**6.51**
(Gain)/loss from change in financial assumptions	17.05	-	**17.05**
Experience (gains)/losses	(2.50)	-	**(2.50)**
Total amount recognised in Restated Other Comprehensive Income	**21.06**	**(1.96)**	**19.10**
Employer contributions	-	(35.59)	**(35.59)**
Benefit payments	(5.34)	5.34	**-**
March 31, 2017	**181.32**	**(92.26)**	**89.06**
			-
April 1, 2017	**181.32**	**(92.26)**	**89.06**
			-
Current service cost	41.25	-	**41.25**
Interest expense/(income)	12.15	(6.18)	**5.97**
Past Service Cost	6.74	-	**6.74**
Total amount recognised in Restated Statement of Profit and Loss	**60.14**	**(6.18)**	**53.96**
Remeasurements			
Return on plan assets	-	(0.35)	**(0.35)**
(Gain)/loss from change in demographic assumptions	(5.23)	-	**(5.23)**
(Gain)/loss from change in financial assumptions	(4.64)	-	**(4.64)**
Experience (gains)/losses	(36.10)	-	**(36.10)**
Total amount recognised in Restated Other Comprehensive Income	**(45.96)**	**(0.35)**	**(46.31)**
Employer contributions	-	(0.01)	**(0.01)**
Benefit payments	(10.18)	10.18	**-**
March 31, 2018	**185.32**	**(88.62)**	**96.70**

(iii) Post Employment Benefits

The significant actuarial assumptions were as follows:

Particulars	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Economic assumptions:					
Discount rate	7.30%	6.70%	7.60%	7.70%	8.80%
Rate of increase in compensation levels	12.00%	12.00%	10.00%	10.00%	10.00%
Mortality	Indian Assured Lives Mortality (2006-08) ultimate table	Indian Assured Lives Mortality (2006-08) ultimate table	Indian Assured Lives Mortality (2006-08) ultimate table	Indian Assured Lives Mortality (2006-08) ultimate table	Indian Assured Lives Mortality (2006-08) ultimate table
Retirement age	58 Years and 70 Years	58 Years and 70 Years	58 Years and 70 Years	58 Years and 70 Years	58 Years, 60 Years and 70 Years
Withdrawal rate	28% per annum	26% per annum	30% per annum	30% per annum	30% per annum

Assumptions regarding future mortality have been based on published statistics and mortality tables.

(iv) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation (Gratuity)				
	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Delta Effect of +1% Change in rate of discounting	(6.51)	(6.96)	(3.58)	(2.33)	(1.30)
Delta Effect of -1% Change in rate of discounting	7.00	7.52	3.82	2.49	1.39
Delta Effect of +1% Change in rate of salary increase	6.33	5.95	3.33	2.21	1.26
Delta Effect of -1% Change in rate of salary increase	(6.06)	(5.78)	(3.23)	(2.14)	(1.22)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The method and type of assumptions used in preparing the sensitivity analysis were consistently following in all the reporting periods.

(v) The major categories of plans assets are as follows:

	March 31, 2018		March 31, 2017		March 31, 2016 Proforma		March 31, 2015 Proforma		March 31, 2014 Proforma	
	Unquoted	in %	Unquoted	in %	Unquoted	in %	Unquoted	in %	Unquoted	in %
Asset invested in insurance scheme with the insurer	(88.62)	100%	(92.26)	100%	(55.81)	100%	(46.14)	100%	(44.77)	100%
Total	**(88.62)**	**100%**	**(92.26)**	**100%**	**(55.81)**	**100%**	**(46.14)**	**100%**	**(44.77)**	**100%**

(vi) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. Bond yield does have inverse relationship with defined benefit obligation.

Salary Inflation risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment risk : If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

(vii) Defined benefit liability and employer contributions
The Company has agreed that it will aim to eliminate the deficit in defined benefit gratuity plan over the coming years. Funding levels are monitored on an annual basis and the current agreed contribution rate is as advised by the insurer. The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the coming years and that regular contributions, which are based on service costs, will not increase significantly.

Expected contributions to post employment benefit plan for the year ending March 31, 2019 are INR 56.22

The weighted average duration of the defined benefit obligation is 5 years (5 years for March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 3 years	Between 3 - 4 years	Between 4 - 5 years	Beyond 5 years
March 31, 2018						
Defined benefit obligation						
Gratuity	37.04	35.34	31.94	28.32	25.11	94.34
Total	**37.04**	**35.34**	**31.94**	**28.32**	**25.11**	**94.34**
March 31, 2017						
Defined benefit obligation						
Gratuity	31.98	30.15	30.51	28.11	25.02	100.59
Total	**31.98**	**30.15**	**30.51**	**28.11**	**25.02**	**100.59**
March 31, 2016 - Proforma						
Defined benefit obligation						
Gratuity	26.24	22.20	20.42	19.00	16.01	47.57
Total	**26.24**	**22.20**	**20.42**	**19.00**	**16.01**	**47.57**
March 31, 2015 - Proforma						
Defined benefit obligation						
Gratuity	16.55	14.20	12.99	11.70	10.67	31.84
Total	**16.55**	**14.20**	**12.99**	**11.70**	**10.67**	**31.84**
March 31, 2014 - Proforma						
Defined benefit obligation						
Gratuity	10.83	8.99	7.91	7.18	6.19	18.68
Total	**10.83**	**8.99**	**7.91**	**7.18**	**6.19**	**18.68**

Note 20: Restated statement of other non-current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Deferred revenue	79.27	80.97	68.93	46.96	50.72
Rent equalisation reserve	23.52	21.45	14.50	9.65	6.11
Total other non- current liabilities	**102.79**	**102.42**	**83.43**	**56.61**	**56.83**

(Rupees in millions, unless otherwise stated)

Note 21: Restated statement of current tax liabilities (net)

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 Proforma		As at March 31, 2015 Proforma		As at March 31, 2014 Proforma	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Current tax										
Income tax liabilities [net of income tax assets of INR Nil (March 31, 2017: INR Nil, March 31, 2016: INR 721.66, March 31, 2015: INR 547.06, March 31, 2014: INR 257.46)]	-	-		-	81.44	-	73.97	-	30.32	-
Total current tax liabilities (net)	**-**	**-**	**-**	**-**	**81.44**	**-**	**73.97**	**-**	**30.32**	**-**

Note 22: Restated statement of other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Deferred revenue	2,768.36	2,473.78	1,719.57	1,358.59	889.58
Statutory dues	73.40	19.85	23.68	47.98	24.94
Rent equalisation reserve	0.34	0.50	-	-	-
Advance from customers	7.71	0.19	-	-	-
Total other current liabilities	**2,849.81**	**2,494.32**	**1,743.25**	**1,406.57**	**914.52**

(Rupees in millions, unless otherwise stated)

Note 23: Restated statement of revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Sale of services					
- Coaching	8,286.10	6,023.22	4,878.53	3,838.41	2,620.40
- Franchisee	1,443.71	1,195.77	931.67	788.73	643.12
Sale of products	3.51	5.29	14.08	21.75	13.82
Total revenue from operations	**9,733.32**	**7,224.28**	**5,824.28**	**4,648.89**	**3,277.34**

Note 24: Restated statement of other income *

Particulars	Recurring / Non - recurring	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Interest income						
-from financial assets measured at amortised cost	Recurring	9.49	37.16	29.25	11.42	13.87
-from others	Non-recurring	0.41	3.11	0.47	0.04	0.06
Dividend income from investments in mutual fund	Non-recurring	46.82	12.03	0.42	-	-
Unwinding of discount on security deposits	Recurring	12.08	9.99	7.93	6.51	4.20
Miscellaneous income	Non-recurring	5.09	7.95	6.21	1.89	3.34
Net gain on disposal of property, plant and equipment and intangible assets	Non-recurring	-	1.23	-	-	-
Net gain on sale of mutual funds	Non-recurring	4.13	0.41	-	-	-
Total other income		**78.02**	**71.88**	**44.28**	**19.86**	**21.47**

* All the above other income are related to the Company's normal business activities, which include investment of surplus funds in interest/dividend yielding assets and may also result in gain/loss on sale. The classification of other income as recurring/non-recurring and related /not related to business activity is based on the current operations and business activities of the Company as determined by the management.

Note 25: Restated statement of courseware and examination

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Courseware printing charges	275.36	242.19	198.83	231.83	184.56
Examination expenses	69.56	39.13	33.40	15.31	13.98
Total courseware and examination	**344.92**	**281.32**	**232.23**	**247.14**	**198.54**

Note 26: Restated statement of changes in inventories of stock-in-trade

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Stock at the beginning of the year	40.60	63.66	27.12	9.65	4.98
Less: Stock at the end of the year	(28.02)	(40.60)	(63.66)	(27.12)	(9.65)
Less: Capitalised during the year	(1.06)	(8.22)	(2.65)	-	-
Total changes in inventories of stock-in-trade	11.52	14.84	(39.19)	(17.47)	(4.67)

(Rupees in millions, unless otherwise stated)

Note 27: Restated statement of employee benefit expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Salaries, wages and bonus	3,601.65	2,895.53	2,103.67	1,705.38	1,034.88
Contribution to provident and other funds (Refer Annexure VI, Note 19)	31.46	23.08	17.76	13.00	7.10
Employee share-based payment expense (Refer Annexure VI, Note 39)	7.70	5.71	3.81	-	-
Staff welfare expenses	54.09	38.90	28.39	31.73	20.67
Total employee benefit expenses	**3,694.90**	**2,963.22**	**2,153.63**	**1,750.11**	**1,062.65**

Note 28: Restated statement of finance costs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Interest on					
- financial liabilities measured at amortised cost	0.87	1.43	3.62	13.24	39.06
- shortfall of advance income tax	0.02	7.03	8.02	2.73	-
- delay in payment of statutory dues	3.83	0.64	0.10	0.13	0.02
Other borrowing costs	-	0.28	1.60	-	0.13
Total finance costs	**4.72**	**9.38**	**13.34**	**16.10**	**39.21**

Note 29: Restated statement of depreciation and amortisation expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Depreciation of property, plant and equipment (Refer Annexure VI, Note 1)	285.80	288.34	226.14	204.24	57.36
Amortisation of intangible assets (Refer Annexure VI, Note 2)	23.35	16.19	15.47	14.27	4.14
Total depreciation and amortisation expense	**309.15**	**304.53**	**241.61**	**218.51**	**61.50**

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure VI - Notes to Restated Financial Information
(Rupees in millions, unless otherwise stated)
Note 30: Restated statement of other expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Power and fuel	173.50	145.57	124.48	106.59	74.57
Rent* [Refer Annexure VI, Note 37 (b)]	978.54	806.00	686.50	573.68	404.39
Equipment hire charges	31.42	16.41	8.45	3.09	1.27
Repairs and maintenance					
- Building	24.22	17.86	13.35	11.17	9.76
- Others	27.55	18.56	14.51	14.52	13.20
Insurance	3.17	2.53	1.82	1.64	1.46
Rates and taxes	24.57	30.64	17.07	18.89	16.14
Travel and conveyance	123.34	98.88	72.49	70.68	56.12
Director's commission and sitting fee	1.95	46.10	13.82	9.74	9.98
Payment to auditors					
As auditor:					
- Audit fees	2.70	2.00	1.20	0.90	0.75
- Tax audit fees	0.20	0.20	0.15	-	-
- Other services	-	0.65	-	-	1.01
Corporate social responsibility expenditure (Refer Annexure VI, Note 30 (a) below)		25.83	0.10	-	-
Legal and professional	124.00	71.66	53.74	25.46	30.35
Printing and stationery	30.65	23.32	20.27	22.76	16.15
Communication	54.10	46.86	34.25	38.07	27.26
Advertisement and publicity	960.64	813.11	742.72	827.02	591.07
Commission	36.65	26.19	20.38	14.22	6.53
Prizes and scholarship	13.92	11.05	11.27	3.89	0.92
Recruitment	17.92	15.20	9.90	0.02	1.50
Postage and courier	24.79	29.95	24.19	26.99	18.59
Information and technology	77.99	31.81	26.34	4.05	2.41
Security and housekeeping charges	173.02	117.43	90.54	68.93	40.36
Bank charges	32.63	17.39	10.89	9.24	5.44
Loss on sale of property, plant and equipment	15.94	-	1.02	1.43	4.39
Loss on account of fire at branches	-	11.99	-	-	-
Property, plant and equipment written off	8.83	-	1.14	0.64	0.71
Miscellaneous expenses	22.39	20.97	9.99	12.73	8.89
Total other expenses	**2,984.63**	**2,448.16**	**2,010.58**	**1,866.35**	**1,343.22**

***Operating leases:**
The Company has taken its office premises, parking places, student lodging and boarding under cancellable operating lease arrangements. The lease payments charged during the year to the Restated Statement of Profit and Loss amounting to INR 978.54 (March 31, 2017: INR 806.00; March 31, 2016: INR 686.50; March 31, 2015: INR 573.68; March 31, 2014: INR 404.39). The lease has varying terms, escalation clauses and renewal rights. On renewal the terms of leases are renegotiated.

Note 30 (a): Restated corporate social responsibility expenditure

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Gross amount required to be spent by the Company during the year as per Section 135 of the Act	22.25	20.42	-	-	-
Amount spent during the year on:					
(i) Construction/acquisition of an asset	-	1.53	-	-	-
(ii) On purposes other than (i) above	-	24.30	-	-	-
Total corporate social responsibility expenditure	**-**	**25.83**	**-**	**-**	**-**

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure VI - Notes to Restated Financial Information
(Rupees in millions, unless otherwise stated)
Note 31: Restated fair value measurements

Financial instruments by category and level of fair value hierarchy
The following table shows the carrying amounts and fair value of financial assets and financial liabilties, including their levels in thefair value hierarchy.

Particulars	Annexure No. VI/ Notes	As at March 31, 2018						As at March 31, 2017						As at March 31, 2016 Proforma					
		FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
Financial assets *#																			
Non current																			
Loans	4	-	-	148.63	-	-	148.63	-	-	122.91	-	-	122.91	-	-	102.90	-	-	102.90
Fixed deposits with banks with maturity period for more than 12 months	8	-	-	0.15	-	-	-	-	-	0.28	-	-	-	-	-	7.21	-	-	-
Investments																			
- Equity instruments	3(a)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current																			
Investments																			
- Mutual funds	3(b)	1,028.25	-	-	-	1,028.25	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans	4	-	-	220.48	-	-	220.48			134.30	-	-	134.30	-	-	113.48	-	-	113.48
Trade receivables	5	-	-	214.43	-	-	-	-	-	200.82	-	-	-	-	-	341.65	-	-	-
Cash and cash equivalents	6	-	-	331.57	-	-	-	-	-	222.90	-	-	-	-	-	165.61	-	-	-
Bank balances other than cash and cash equivalents, above	7	-	-	356.37	-	-	-	-	-	0.60	-	-	-	-	-	-	-	-	-
Fixed deposits with banks with maturity period for less than 12 months	8	-	-	-	-	-	-	-	-	7.52	-	-	-	-	-	-	-	-	-
Interest accrued but not due on banks deposits	8	-	-	3.47	-	-	-	-	-	0.10	-	-	-	-	-	0.10	-	-	-
Advance for purchase of mutual funds	8	-	-	-	-	-	-	-	-	70.00									
Assets classified as held for sale@	13	-	-	-	-	-		401.00	-	-	-	401.00	-	-	-	-	-	-	-
Total financial assets		**1,028.25**	**-**	**1,275.10**	**-**	**1,028.25**	**369.11**	**401.00**	**-**	**759.43**	**-**	**401.00**	**257.21**	**-**	**-**	**730.95**	**-**	**-**	**216.38**
Financial liabilities#																			
Non Current																			
Borrowings##	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.69	-	-	7.69
Employee benefits payable^	18	-	-	7.84	-	-	-	-	-	5.29	-	-	-	-	-	3.50	-	-	-
Current																			
Borrowings	15 16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current maturities of long-term borrowings	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.15	-		5.15
Trade payables	17	-	-	326.10	-	-	-	-	-	163.15	-	-	-	-	-	162.75	-	-	-
Security deposits	18	-	-	271.93	-	-	-	-	-	84.21	-	-	-	-	-	6.03	-	-	-
Employee benefits payable	18	-	-	126.83	-	-	-	-	-	182.18	-	-	-	-	-	213.62	-	-	-
Book overdraft	18	-	-	0.10	-	-	-	-	-	0.21	-	-	-	-	-	3.32	-	-	-
Capital creditors	18	-	-	58.69	-	-	-	-	-	56.50	-	-	-	-	-	7.98	-	-	-
Interest accrued but not due	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other payables	18	-	-	6.08	-	-	-	-	-	49.13	-	-	-	-	-	17.33	-	-	-
Total financial liabilities		**-**	**-**	**797.57**	**-**	**-**	**-**	**-**	**-**	**540.67**	**-**	**-**	**-**	**-**	**-**	**427.37**	**-**	**-**	**12.84**

Aakash Educational Services Limited (Formerly Aakash Educationa
Annexure VI - Notes to Restated Financial Information
(Rupees in millions, unless otherwise stated)
Note 31: Restated fair value measurements

Financial instruments by category and level of fair value hierarchy
The following table shows the carrying amounts and fair value of financi

Particulars	As at March 31, 2015 Proforma						As at March 31, 2014 Proforma					
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3
Financial assets *#												
Non current												
Loans	-	-	82.51	-	-	82.51	-	-	63.73	-	-	63.73
Fixed deposits with banks with maturity period for more than 12 months	-	-	4.30	-	-	-	-	-	4.30	-	-	-
Investments												
- Equity instruments	0.10	-	-	-	-	0.10	0.10	-		-	-	0.10
Current												
Investments												
- Mutual funds	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	98.63	-	-	98.63	-	-	89.64	-	-	89.64
Trade receivables	-	-	207.75	-	-	-	-	-	89.62	-	-	-
Cash and cash equivalents	-	-	151.84	-	-	-	-	-	149.85	-	-	-
Bank balances other than cash and cash equivalents, above	-	-	-	-	-	-	-	-	-	-	-	-
Fixed deposits with banks with maturity period for less than 12 months	-	-	-	-	-	-	-	-	-	-	-	-
Interest accrued but not due on banks deposits	-	-	0.09	-	-	-	-	-	1.23	-	-	-
Advance for purchase of mutual funds												
Assets classified as held for sale@	-	-	-	-	-	-	-	-	-	-	-	-
Total financial assets	**0.10**	**-**	**545.12**	**-**	**-**	**181.24**	**0.10**	**-**	**398.37**	**-**	**-**	**153.47**
Financial liabilities#												
Non Current												
Borrowings##	-	-	-	-	-	-	-	-	171.88	-	-	171.88
Employee benefits payable^	-	-	0.04	-	-	-	-	-	-	-	-	-
Current												
Borrowings	-	-	68.22	-	-	68.22	-	-	174.63	-	-	174.63
Current maturities of long-term borrowings	-	-	6.88	-	-	6.88	-	-	56.70	-	-	56.70
Trade payables	-	-	172.84	-	-	-	-	-	280.94	-	-	-
Security deposits	-	-	4.78	-	-	-	-	-	3.62	-	-	-
Employee benefits payable	-	-	145.71	-	-	-	-	-	109.11	-	-	-
Book overdraft	-	-	106.03	-	-	-	-	-	49.39	-	-	-
Capital creditors	-	-	-	-	-	-	-	-	-	-	-	-
Interest accrued but not due	-	-	-	-	-	-	-	-	0.38	-	-	-
Other payables	-	-	13.67	-	-	-	-	-	14.47	-	-	-
Total financial liabilities	**-**	**-**	**518.17**	**-**	**-**	**75.10**	**-**	**-**	**861.12**	**-**	**-**	**403.21**

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure VI - Notes to Restated Financial Information
(i) Fair value hierarchy
This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices (for example, listed equity instruments, traded bonds and mutual funds that have quoted price).

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives, unquoted mutual funds) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying amounts of current loans, trade receivables, trade payables, cash and cash equivalents, fixed deposit with banks with maturity period for less than 12 months, bank balances other than cash and cash equivalents, interest accrued but not due on fixed deposits, advance for purchase of mutual funds, current security deposits- financial liability, current employee benefits payables, book overdraft, capital creditors, interest accrued but not due, current maturities of long-term borrowings, current borrowings and other payables approximates their fair values as on the reporting date, due to their short term nature. The carrying amounts of fixed deposits (due for maturity after twelve months from the reporting date), non current employee payables approximates their fair values as on the reporting date.

* The fair values of non current loans are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The Company's borrowings are measured at amortised cost, which approximates the fair value as on the reporting date.

^Non current employees payables approximates to their fair value as on reporting date.

@ The fair value of the assets was determined using the market value approach and accordingly, considered as level 2.

Investments in equity instruments approximate their fair value as on the reporting date.
There has been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014.

Valuation Technique used to determine fair value
Specific valuation techniques used to value financial instruments include:
- the use of NAV for unquoted mutual funds.
- the fair value of the remaining financial instruments is determined using discounted cash flow method.

Valuation process
The finance department of the Company includes a team that performs

(Rupees in millions, unless otherwise stated)

Note 32: Restated Financial risk management

The Company has exposure to a variety of risks from its financial instruments:
- Credit risk
- Liquidity risk
- Market risk - Interest rate, and
- Market risk - Security prices

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, Cash and cash equivalents, Loans, Investments in mutual funds, Bank balance other than cash and cash equivalents, advance for purchase of investments, other financial assets measured at amortised cost, Fixed deposits, Investment in equity instruments.	Aging analysis, Credit ratings	Diversification of fixed deposits and mutual funds, credit limits and periodic monitoring of realizable value.
Liquidity risk	Borrowings, trade payables and other financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines, borrowing facilities and equity infusion.
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Availability of portfolio of fixed and variable interest rate loans
Market risk – security prices	Investment in equity instruments and mutual funds	Sensitivity analysis	Portfolio diversification

(A) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 Proforma	As at March 31, 2015 Proforma	As at March 31, 2014 Proforma
Investments - Equity Instruments	-	-	-	0.10	0.10
Investments - Mutual Funds	1,028.25	-	-	-	-
Loans	369.11	257.21	216.38	181.14	153.37
Trade receivables	214.43	200.82	341.65	207.75	89.62
Cash and cash equivalents	331.57	222.90	165.61	151.84	149.85
Bank balances other than cash and cash equivalents, above	356.37	0.60	-	-	-
Interest accrued but not due on banks deposits	3.47	0.10	0.10	0.09	1.23
Advance for purchase of mutual funds	-	70.00	-	-	-
Fixed deposits with banks with maturity period for more than 12 months	0.15	7.80	7.21	4.30	4.30
	2,303.35	**759.43**	**730.95**	**545.22**	**398.47**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents and fixed deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and equity instruments. The loans primarily represents security deposits given to landlords and loans given to employees. Such security deposit will be returned to the Company on termination of the lease. The Company has given loans to its employees. The risk of default in respect of loans given to employee is considered negligible. For other financial assets, the management assesses and manages credit risk based on past experience and forwarding-looking information.

Credit risk from trade receivables: A default is when the counterparty fails to make contractual payments within 90 days of when they fall due in case of trade receivables as prescribed by relevant terms of the contract. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors. Trade receivables are written-off when there is no reasonable expectation of recovery. Where trade receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the Restated Statement of Profit and Loss. Additionally, Company has designed the fee structure from its customer in a way that fees for the respective courses/services are primarily received in advance. The Company manages its credit risk by establishing credit limits and continuosly monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business. As a result, the credit risk from the receivables is minimal.

Provision for expected credit losses

The Company provides for expected credit loss based on the following:

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The 12-month expected credit loss is a portion of the lifetime expected credit losses which results from default events that are possible within 12 months after the reporting date. At initial recognition, financial assets are considered as having negligible credit risk. The Company monitors whether there is any significant increase in credit risk since initial recognition.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, etc. and expectations about future cash flows.

Lifetime expected credit loss are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. Management believes that the unimpaired amounts that are 6 months past due date are still collectible in full. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It also considers available reasonable and supportive forwarding-looking information. Considering the above factors the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date. Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers. Majority of the course/ service fee is received in advance. For the remaining the Company has established credit limits and contineously monitors the credit worthiness of customers to whom the Company grants the credit terms in the normal course of business.

The ageing analysis of gross carrying amount of trade receivables as of the reporting date is as follows:

Particulars	Past due but not impaired			Total
	Less than 90 days	90 to 180 days*	Above 180 days#	
Trade Receivables as of March 31, 2018	192.23	19.73	14.08	226.04
Trade Receivables as of March 31, 2017	194.49	1.61	9.76	205.86
Trade Receivables as of March 31, 2016 Proforma	334.65	4.70	3.70	343.05
Trade Receivables as of March 31, 2015 Proforma	205.12	1.17	1.78	208.07
Trade Receivables as of March 31, 2014 Proforma	87.33	0.35	1.94	89.62

* The Company believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on historical payment behaviour.

The Company based upon past trends determine an impairment allowance for loss on receivables outstanding for more than 180 days past due.

(iii) Reconciliation of loss allowance provision- Trade receivables

Loss allowance on March 31, 2014, Proforma	**-**
Changes in loss allowance	(0.32)
Loss allowance on March 31, 2015, Proforma	**(0.32)**
Changes in loss allowance	(1.08)
Loss allowance on March 31, 2016, Proforma	**(1.40)**
Changes in loss allowance	(3.64)
Loss allowance on March 31, 2017	**(5.04)**
Changes in loss allowance	(6.57)
Loss allowance on March 31, 2018	**(11.61)**

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities), cash and cash equivalents and investments in fixed deposits and mutual funds on the basis of expected cash flows. The Company believes that it will be able to meet its future known obligations in the ordinary course of business.

The Company believes that its liquidity position, including total cash (including interest accrued but not due) and short-term investments of INR 1,719.81 as at March 31, 2018 (March 31, 2017: INR 301.40, March 31, 2016: INR 172.92, March 31, 2015: INR 156.22, March 31, 2014: INR 155.38) anticipated future internally generated funds from operations, and its fully available revolving undrawn credit facility of INR 300.00 (March 31, 2017: INR 303.33, March 31, 2016 INR 373.33, March 31, 2015 INR 95.00, March 31, 2014 INR 80.75) will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it has access to financing arrangements, value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider borrowing options to maximize liquidity and supplement cash requirements as necessary. The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
March 31, 2018					
Non-derivatives					
Trade payables	326.10	-	-	-	326.10
Other financial liabilities	463.63	7.84	-	-	471.47
Total non-derivative liabilities	**789.73**	**7.84**	**-**	**-**	**797.57**
March 31, 2017					
Non-derivatives					
Trade payables	163.15	-	-	-	163.15
Other financial liabilities	372.23	5.29	-	-	377.52
Total non-derivative liabilities	**535.38**	**5.29**	**-**	**-**	**540.67**

March 31, 2016, Proforma					
Non-derivatives					
Borrowings	-	7.69	-		7.69
Trade payables	162.75	-	-	-	162.75
Other financial liabilities	253.43	3.50	-	-	256.93
Total non-derivative liabilities	**416.18**	**11.19**	**-**	**-**	**427.37**
March 31, 2015, Proforma					
Non-derivatives					
Borrowings	68.22	-	-	-	68.22
Trade payables	172.84	-	-	-	172.84
Other financial liabilities	277.07	0.04	-	-	277.11
Total non-derivative liabilities	**518.13**	**0.04**	**-**	**-**	**518.17**
March 31, 2014, Proforma					
Non-derivatives					
Borrowings	174.63	171.88	-	-	346.51
Trade payables	280.94	-	-	-	280.94
Other financial liabilities	233.67	-	-	-	233.67
Total non-derivative liabilities	**689.24**	**171.88**	**-**	**-**	**861.12**

(C) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk

Company's interest rate risk arises majorly from bank overdrafts carrying floating rate of interest. These expose the Company to interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported by the management at the end of reporting period are as follows:

	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Variable rate					
Financial liabilities	-	-	-	68.22	174.63

Interest rate senstivity analysis

A reasonable possible change of 0.5% in interest rates at the reporting date would have affected the profit or loss by the amounts shown below.

Particulars	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Increase/ (decrease) in interest on bank overdrafts					
-Increase by 0.5%	-	-	-	0.07	0.20
-Decrease by 0.5%	-	-	-	(0.07)	(0.20)

(D) Price risk

The Company invests its surplus funds in various products such as mutual funds and fixed deposits. In order to manage its price risk arising from investments, the Company diversifies its portfolio.

(E) Currency risk

The Company is not exposed to any currency risk as foreign currency transactions are minimal.

(Rupees in millions, unless otherwise stated)

Note 33: Restated Capital Management

Risk Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management also monitors the return on equity.

The Board of Directors regularly review the Company's capital structure in light of the economic conditions, business strategies and future commitments. For the purpose of the Company's capital management, capital includes issued share capital, securites premium and all other equity reserves. Debt includes vehicle loan, term loan and overdraft facilities.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as interest-bearing borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.
During the financial year ended March 31, 2018, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

Adjusted net debt to equity

Particulars	**March 31, 2018**	**March 31, 2017**	**March 31, 2016 Proforma**	**March 31, 2015 Proforma**	**March 31, 2014 Proforma**
Borrowings	-	-	12.83	75.10	403.21
Less: cash and cash equivalents	331.57	222.90	165.61	151.84	149.85
Adjusted net debt	**(331.57)**	**(222.90)**	**(152.78)**	**(76.74)**	**253.36**
Total equity	588.64	149.38	857.42	816.50	625.12
Adjusted net debt to equity ratio	**(0.56)**	**(1.49)**	**(0.18)**	**(0.09)**	0.41

Return on equity

Particulars	**March 31, 2018**	**March 31, 2017**	**March 31, 2016 Proforma**	**March 31, 2015 Proforma**	**March 31, 2014 Proforma**
Profit after tax, as restated	1,601.84	635.53	758.74	358.85	379.34
Equity share capital	277.73	91.41	91.41	91.41	91.41
Other equity	310.91	57.97	766.01	725.09	533.71
Total equity	**588.64**	**149.38**	**857.42**	**816.50**	**625.12**
Return on equity ratio (%)	272.14%	425.44%	88.49%	43.95%	60.68%

Note 34: Restated Segment Information

The Managing Director is the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108 'Operating Segments'. CODM monitors the operating results of its business segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with Restated Statement of Profit and Loss in the Restated Financial Information.

The Company is primarily engaged in the business of imparting coaching to students for medical and engineering entrance exam and are viewed by CODM as single primary segment, i.e. learning business segment.

Revenue from external customers	**For the year March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 Proforma**	**For the year March 31, 2015 Proforma**	**For the year ended March 31, 2014 Proforma**
Sale of services:					
- Coaching	8,286.10	6,023.22	4,878.53	3,838.41	2,620.40
- Franchisee	1,443.71	1,195.77	931.67	788.73	643.12
Sale of products	3.51	5.29	14.08	21.75	13.82
Total revenue from external customers	**9,733.32**	**7,224.28**	**5,824.28**	**4,648.89**	**3,277.34**

The entire revenue from external customers of the Company is generated from the customers domiciled in India. Other income is not allocated as the underlying assets/ liabilities/services are domiciled in India. All the non-current assets other than financial instruments, deferred tax assets, deferred revenue and income tax assets (net) primarily comprises of Property, plant and equipment, Capital work in progress, Intangible assets, capital advances, prepaid expenses and balances with government authorities are located in India.

The Company does not have transactions of more than 10% of total revenue with any single external customer and earns revenue from external customers only.

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure VI - Notes to Restated Financial Information
(Rupees in millions, unless otherwise stated)

Note 35: Restated Related Party Transaction

(a) Related parties where control exists: Mr. J C Chaudhry, Chairman cum Managing Director ("CMD")

(b) Names of other related parties and nature of relationship with whom Company had transactions and closing balances

Name of Related Party	Nature of Relationship				
	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Mr. Aakash Chaudhry, Chief Executive Officer & Whole-time Director (Son of Managing Director)	Key managerial personnel ("KMP") or their close relative	KMP or their close relative	KMP or their close relative	KMP or their close relative	KMP or their close relative
Mrs. Kamla Chaudhry, Director (Wife of Managing Director)	KMP or their close relative	KMP or their close relative	KMP or their close relative	KMP or their close relative	KMP or their close relative
Mr. J D Chaudhry, Chief Corporate Consultant (Brother of Managing Director)	KMP or their close relative	KMP or their close relative	KMP or their close relative	KMP or their close relative	KMP or their close relative
Mr. Aashish Chaudhry, (Son of Managing Director)	KMP or their close relative	KMP or their close relative	KMP or their close relative	KMP or their close relative	KMP or their close relative
Mrs. Minal Chaudhry, (Daughter in law of Managing Director)	KMP or their close relative	KMP or their close relative	KMP or their close relative	KMP or their close relative	KMP or their close relative
Mrs. Neetu Chaudhry, (Daughter in law of Managing Director)	KMP or their close relative	KMP or their close relative	KMP or their close relative	KMP or their close relative	KMP or their close relative
Mr. Prashaant Chaudhry (Nephew of Managing Director)	KMP or their close relative	KMP or their close relative	KMP or their close relative	KMP or their close relative	KMP or their close relative
Mr. Hemant Sultania, Chief Financial Officer (w.e.f August 1, 2015)	KMP	KMP	KMP	-	-
Mr. Anupam Saxena, Company Secretary (upto June 26, 2015)	-	-	KMP	KMP	KMP
Mr. Vikas Kumar Sharma, Company Secretary (from July 15, 2015 to November 6, 2015)	-	-	KMP	-	-
Mr. Nitin Dwivedi, Company Secretary (from March 26, 2016 to February 10, 2017)	-	KMP	KMP	-	-
Mr. Sarvesh Yadav, Company Secretary (w.e.f March 16, 2017)	KMP	KMP	-	-	-
Mr. Pramath Raj Sinha, Independent Director (w.e.f January 12, 2018)	KMP	-	-	-	-
Enterprises over which KMP or their relative have significant influence					
Aakash Healthcare Private Limited	-	-	Significant influence	-	-
Destination Home Private Limited	-	-	Significant influence	Significant influence	Significant influence
Surabhi Infra & Management Services Limited	-	-	Significant influence	Significant influence	Significant influence
Entity controlled or jointly controlled by KMP					
Vidhman Estate Private Limited	Entity controlled or jointly controlled by KMP	Entity controlled or jointly controlled by KMP	Entity controlled or jointly controlled by KMP	-	-
Garymuskan Estate Private Limited	Entity controlled or jointly controlled by KMP	Entity controlled or jointly controlled by KMP	Entity controlled or jointly controlled by KMP	-	-
Aakash Educational Services Limited Employee Group Gratuity trust	Other related party	Other related party	Other related party	Other related party	Other related party

(c) Transactions with related parties during the course of ordinary business :

Transactions		March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Rent expense						
Mr. J C Chaudhry		398.89	318.35	295.04	271.86	225.09
Mr. Aakash Chaudhry		7.33	7.33	6.50		
Security deposit given						
Mr. J C Chaudhry		95.52	35.54	7.31	-	-
Mr. Aakash Chaudhry		1.33	0.11	0.11	-	-
Refund of security deposit						
Mr. J C Chaudhry		10.86	20.92	-	-	-
Director commission and sitting fees						
Mrs. Kamla Chaudhry		1.67	46.10	13.82	0.28	0.32
Mr. Pramath Raj Sinha		0.28	-	-	-	-
Retainership services (included in Legal and professional expense)						
Mr. J D Chaudhry		8.11	6.63	5.10	4.00	2.46
Sale of property, plant and equipment						
Mr. J C Chaudhry		401.00	-	-	-	-
Hostel charges						
Destination Home Private Limited		-	-	-	0.03	1.09
Transactions		**March 31, 2018**	**March 31, 2017**	**March 31, 2016 Proforma**	**March 31, 2015 Proforma**	**March 31, 2014 Proforma**
Interest on short term borrowings						
Mr. J C Chaudhry		-	-	-	2.80	4.05
Sale of investment in equity shares						
Mr. Aakash Chaudhry		-	-	0.10	-	-
Mr. J D Chaudhry		-	-	0.00	-	-
Sale of fixed assets						
Aakash Healthcare Private Limited		-	-	2.04	-	-
Contribution to gratuity trust						
Aakash Educational Services Limited Employee Group Gratuity trust		0.01	35.59	7.09	0.96	-
Travel and conveyance						
Vidhman Estate Private Limited		0.90	0.90	0.60	-	-
Garymuskan Estate Private Limited		0.48	0.48	0.32	-	-
Issue of shares						
Mr. Hemant Sultania		14.73	-	-	-	-
Interim dividend paid during the year						
Mr. J C Chaudhry		1,211.44	935.37	535.67	123.62	206.03
Mrs. Kamla Chaudhry		51.47	39.74	22.76	5.25	8.75
Mr. Aashish Chaudhry		14.72	11.37	6.51	1.50	2.50
Mrs. Minal Chaudhry		5.90	4.56	2.61	0.60	1.00
Mr. Aakash Chaudhry		54.32	41.94	24.02	5.54	9.24
Mrs. Neetu Chaudhry		5.90	4.56	2.61	0.60	1.00
Mr. Prashaant Chaudhry #		-	-	-	-	0.00
Mr. J D Chaudhry $		0.02	0.02	0.01	0.00	-

Final dividend paid during the year						
Mr. J C Chaudhry		-	65.93	-	-	-
Mrs. Kamla Chaudhry		-	2.80	-	-	-
Mr. Aashish Chaudhry		-	0.80	-	-	-
Mrs. Minal Chaudhry		-	0.32	-	-	-
Mr. Aakash Chaudhry		-	2.96	-	-	-
Mrs. Neetu Chaudhry		-	0.32	-	-	-
Mr. J D Chaudhry ##		-	0.00	-	-	-
					-	-
# Amount for the year ended March 31, 2014 in absolute terms is INR 3,750						
$ Amount for the year ended March 31, 2015 in absolute terms is INR 2,025						
## Amount for the year ended March 31, 2017 in absolute terms is INR 1,080						
Issue of bonus shares during the year						
Mr. J C Chaudhry		164.82	-	-	-	-
Mrs. Kamla Chaudhry		7.00	-	-	-	-
Mr. Aashish Chaudhry		2.00	-	-	-	-
Mrs. Minal Chaudhry		0.80	-	-	-	-
Mr. Aakash Chaudhry		7.39	-	-	-	-
Mrs. Neetu Chaudhry		0.80	-	-	-	-
Mr. J D Chaudhry @		0.00	-	-	-	-
Mr. Hemant Sultania		0.22	-	-	-	-
@ Amount for the year ended March 31, 2018 in absolute terms is INR 2,700						
Right issue shares during the year						
Mr. J C Chaudhry		362.33	-	-	-	-
Mrs. Kamla Chaudhry		15.40	-	-	-	-
Mr. Aashish Chaudhry		4.40	-	-	-	-
Mrs. Minal Chaudhry		1.77	-	-	-	-
Mr. Aakash Chaudhry		16.25	-	-	-	-
Mrs. Neetu Chaudhry		1.77	-	-	-	-
Mr. J D Chaudhry		0.01	-	-	-	-
Mr. Hemant Sultania		0.48	-	-	-	-

Key management personnel		**March 31, 2018**	**March 31, 2017**	**March 31, 2016 Proforma**	**March 31, 2015 Proforma**	**March 31, 2014 Proforma**
Short-term employee benefits		124.11	178.26	81.22	64.05	50.59
Post-employment benefits		4.22	2.01	1.82	1.87	1.71
Long-term employee benefits		13.18	15.92	7.11	4.45	1.95
Employee share-based payment		7.70	5.71	3.81	-	-

(d) Details of balances with related parties at year end

Balances as at year end	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Trade payables					
Mr. J C Chaudhry	-	-	-	-	0.12
Mr. J D Chaudhry	0.01	0.58	0.44	0.31	0.17
Destination Home Private Limited	-	-	-	-	0.04
Vidhman Estate Private Limited	0.07	0.07	0.07	-	-
Garymuskan Estate Private Limited	0.04	0.04	0.04	-	-
Other current financial liabilities					
Mr. J C Chaudhry	-	44.50	13.58	9.46	9.66
Mr. Aakash Chaudhry	-	44.50	13.58	9.46	9.66
Mrs. Kamla Chaudhry	0.24	44.50	13.79	9.71	9.66
Mr. Pramath Raj Sinha	0.17	-	-	-	-
Mr. J D Chaudhry	-	-	-	0.04	0.02
Security deposits (assets)					
Mr. J C Chaudhry	202.01	117.35	102.73	95.43	85.94
Mr. Aakash Chaudhry	3.65	2.32	2.21	2.10	2.00
Other assets					
Destination Home Private Limited	-	-	-	0.99	0.94
Non-current Investments					
Surabhi Infra & Management Services Limited*	-	-	-	-	0.00
Other current financial assets					
Mr. J C Chaudhry	-	-	-	-	0.28
Mr. Aakash Chaudhry	-	-	-	-	0.01
Provisions (fair value of plan assets)					
Aakash Educational Services Limited Employee Group Gratuity trust	88.62	92.26	55.81	46.14	44.77

* Balance as at March 31, 2014 in absolute terms is INR 1,000

Note: Also refer note 16, Restated statement of current borrowings, for details of personal guarnatees given by chairman and managing director.

Terms and conditions

All the transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and settled in cash.

(Rupees in millions, unless otherwise stated)

Note 36: Restated Contingent liabilities

	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Claims against the Company not acknowledged as debts					
(a) Sales tax matters*	-	-	-	-	1.16
(b) Service tax matters*	812.65	531.30	306.74	306.74	75.15
Total contingent liabilities	**812.65**	**531.30**	**306.74**	**306.74**	**76.31**

**Excluding interest and penalty*

(a) In respect of the service tax matters above, the amount represents the demands received under the respective demand/ show cause notices, wherever applicable from service tax authorities in respect of applicability of service tax at concessional rates and availability of cenvat credit. The Company has contested such notices issued and orders passed by service tax authorities. While these matters are pending at relevant courts, the Company has deposited INR 2.29 as service tax under protest against the above service tax matters and believes that the views taken by authorities are not sustainable and accordingly no provision is required to be recorded in books of account.

(b) Other legal proceedings for which the Company is contingently liable: The Company is party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on the financial statements and hence, no provision has been set-up against the same.

(c) The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 37: Restated Commitments

(a) Capital commitments

	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Estimated value of contracts in capital account remaining to be executed (net of advances)	16.67	54.51	44.55	1.62	-
Total capital commitments	**16.67**	**54.51**	**44.55**	**1.62**	**-**

(b) Non-cancellable operating Leases

(i) The Company has significant operating lease arrangements for premises. These lease arrangements range for a period between 11 months to 9 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:					
Within one year	185.98	158.64	157.08	160.48	121.73
Later than one year but not later than five years	158.38	96.27	75.87	80.93	79.95
Later than five years	-	-	-		
Total non-cancellable operating Leases	**344.36**	**254.91**	**232.95**	**241.41**	**201.68**

(ii) Rental expense relating to non-cancellable operating leases

	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Minimum lease payments	185.00	206.50	198.65	178.96	94.01
Total rental expense relating to non- cancellable operating leases	**185.00**	**206.50**	**198.65**	**178.96**	**94.01**

Note 38: Dues to micro and small enterprises

	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Principal amount due to suppliers registered under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED) and remaining unpaid as at year end					
-Trade payables	2.35	0.50	0.46	0.22	0.07
-Capital creditors	0.02	0.11	-	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-	-
Interest due and payable towards suppliers registered under the MSMED Act, for payments already made	-	-	-	-	-
Further interest remaining due and payable for earlier years	-	-	-	-	-

(Rupees in millions, unless otherwise stated)

Note 39: Restated Share based payments

(a) Employee option plan
"Aakash Educational Services Private Limited Employee Stock Options Plan 2015" (AAKASHESOP-2015): The Board vide its resolution dated August 4, 2015 approved AAKASHESOP-2015 for granting Employee Stock Options in the form of equity shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company monitored and supervised by the Board of Directors. The AAKASHESOP-2015 is further approved by shareholders vide its resolution date August 4, 2015. The eligible employees for the purpose of AAKASHESOP-2015 will be determined by the Board of Directors from time to time. Upon vesting, the employees can acquire one common equity share of the Company for every option. The options were granted on the dates as mentioned in table below.

The vesting period of AAKASHESOP-2015 is as stated below :

Period from grant date	**Number of options vested**
Upon completion of one year of service	5,485
After one year till completion of five year of service, vesting would take place on monthly basis of 0.24% of the Company's equity share capital	55,423
On filing of red herring document with SEBI or on completion of five years, whichever is earlier	55,471

The options can be exercised at any time within five years from the date of vesting, beyond which they will expire.

AAKASHESOP-2015			
Date of grant	August 01, 2015	October 06, 2017	March 29, 2018
Number of options granted	45,707	69,474	1,197
Vesting conditions	As stated above	As stated above	As stated above
Exercise period	5 years from the date of each vesting	5 years from the date of each vesting	5 years from the date of each vesting
Exercise price	INR 1,343	INR 448**	INR 448**

	March 31, 2018	**March 31, 2017**	**March 31, 2016 Proforma**	**March 31, 2015 Proforma**	**March 31, 2014 Proforma**
Outstanding at the beginning of the year	45,707	45,707	-	-	-
Granted during the year*	70,671	-	45,707	-	-
Forfeited/expired during the year	-	-	-	-	-
Exercised during the year	10,970	-	-	-	-
Outstanding at the end of the year	105,408	45,707	45,707	-	-
Exercisable at the end of the year	11,096	9,141	-	-	-

Weighted average remaining contractual life of options outstanding at end of period is 6.16 (March 31, 2017: 7.48; March 31, 2016: 8.48 years; March 31, 2015: Nil; March 31, 2014 : Nil)
Weighted average exercise price: The exercise price of INR 448 (year ended March 31, 2017: INR 1,343; March 31, 2016: INR 1,343 ; March 31, 2015: Nil; March 31, 2014: Nil)

Impact of bonus shares and sub-division of shares subsequent to March 31, 2018 (refer Annexure VI, Note 42)

	March 31,2018
Outstanding at the end of the year, as above	105,408
Granted due to bonus issue	21,082
Granted due to sub-division of shares	252,979
Outstanding after issue of bonus and shares split	**379,469**
Exercise price due to above mentioned events (Amount in INR)	179.20

Fair value of the options granted

The fair value at grant date is determined using the Black Scholes option pricing model as per an independent valuer's report, exercise price being the price payable by the employees for exercising the option and other assumptions as annexed below:

	Options granted in 2017-18	**Options granted in 2015-16**
Risk-free interest rate (%)	7.21%	7.9%
Expected life of the options	3 years	5 years
Expected volatility (%)	53.28%	59.33%
Dividend yield	2.08% p.a.	3% p.a.
Fair value at grant date	INR 1,275	INR 1,171

The risk-free interest rates are determined based on current yield to maturity of Government Bonds with 10 years residual maturity. Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour. The minimum life of stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised. The expected life has been considered based on average sum of maximum life and minimum life and may not necessarily indicative of exercise patterns that may occur. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date. For the measurement of grant date fair value certain market conditions were considered in the method of valuation.

(b) Expense arising from share-based payment transactions

Total expenses arising from equity settled share-based payment transactions recognised in restated statement of profit or loss as part of employee benefit expense were as follows:

Particulars	**March 31,2018**	**March 31, 2017**	**March 31, 2016 Proforma**	**March 31, 2015 Proforma**	**March 31, 2014 Proforma**
Employee stock option plan	7.70	5.71	3.81	-	-
Total employee share-based payment expense	7.70	5.71	3.81	-	-

* includes 69,474 (March 31, 2017: Nil, March 31, 2016: Nil; March 31, 2015: Nil; March 31, 2014: Nil) ESOP granted to compensate for dilution of shareholding due to bonus issue. This does not impact opening valuation and accordingly, not considered for modification.
**exercise price is reduced to compensate for dilution of shareholding due to bonus issue. This does not impact opening valuation and accordingly, not considered for modification.

(Rupees in millions, unless otherwise stated)

Note 40: Restated Earning Per Share

	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
(a) Basic earnings per share From continuing operations attributable to the equity holders of the Company	24.26	9.63	11.50	5.44	5.75
(b) Diluted earnings per share From continuing operations attributable to the equity holders of the Company	24.21	9.62	11.50	5.44	5.75
(c) Nominal value per share	5.00	5.00	5.00	5.00	5.00

(d) Basis for calculating earnings per share

	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Profit from continuing operations attributable to the equity holders of the Company used for Basic and dilluted earnings per share	1,601.84	635.53	758.74	358.85	379.34

(e) Weighted average number of shares used as the denominator (nos.)

	March 31, 2018	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	66,020,714	66,001,460	66,001,460	66,001,460	66,001,460
Dilutive effect of stock options*	136,614	41,558	-	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	66,157,328	66,043,018	66,001,460	66,001,460	66,001,460

*for the year ended March 31, 2016, stock option granted to employee have not been included in calculation of dilutive earnings per share because they are anti-dilutive.

Note: The above have been computed on the basis of the Restated Financial Information and the subsequent issue of bonus share and sub-division of equity shares of the Company mentioned in Annexure VI, Note 42.

Note 41: Transition to Ind AS

The accounting policies set out in Annexure V have been applied in preparing the Restated Financial Information for the years ended March 31, 2018, 2017, 2016, 2015 and 2014. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2016 while preparing Restated Financial Information for the years ended March 31, 2016, 2015 and 2014. Accordingly, suitable restatement adjustments are made in the financial statements as of and for the years ended March 31, 2018, 2017, 2016, 2015, 2014, and April 1, 2013 An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's Restated Financial Information is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS, as at the transition date, i.e. April 1, 2016. These exceptions were also applied while preparing Restated Financial Informaiton for the year ended March 31, 2016, March 31, 2015 and March 31, 2014.

A1. Ind AS optional exemptions

A.1.1 Deemed cost

As per Ind AS 101, an entity may elect to use carrying values of all property, plant and equipment, capital work-in-progress and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. The Company has followed the same same accounting policy choice as initially adopted on transition date i.e. April 1, 2016 while preparing restated note of property, plant and equipment, capital work-in-progress and intangible assets for the years ended March 31, 2016, March 31, 2015 and March 31, 2014. Accordingly, the Company has elected to measure property, plant and equipment, capital work-in-progress and intangible assets at their Previous GAAP carrying values. Refer Annexure VI, Note 1 and 2.

A2 Ind AS mandatory exceptions

A.2.1 Estimates

Under Ind AS 101, an entity's estimates in accordance with Ind AS at 'the date of transition to Ind AS should be consistent with estimates made for the same date in accordance with the Previous GAAP. The Company's Ind AS estimates as at the transition date April 1, 2016 are consistent with the estimates made in confirmity with Previous GAAP.
Key estimates considered in preparation of the restated financial information that were not required under the previous GAAP are listed below:
- Fair valuation of financial instruments carried at FVTPL.
- Determination of the discounted value for financial instruments carried at amortised cost.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

(Rupees in millions, unless otherwise stated)

B. Reconciliation of equity between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations of equity from previous GAAP to Ind AS.

B.1 Reconciliation of equity as at March 31, 2014

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS adjustment	Ind AS	Restatement adjustment	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment		1,730.33	-	1,730.33	(15.35)	1,714.98
Capital work-in-progress		2.82	-	2.82	-	2.82
Intangible assets		59.34	-	59.34	(0.09)	59.24
Intangible assets under development		-	-	-	-	-
Financial assets						
i. Investments		0.10	-	0.10	-	0.10
ii. Loans	1	110.52	(45.93)	64.59	(0.86)	63.73
iii. Other financial assets		4.30	-	4.30	-	4.30
Deferred tax assets (net)	7	195.92	(20.95)	174.97	-	174.97
Income tax assets (net)		18.02	-	18.02	-	18.02
Other non-current assets	1	35.19	37.63	72.82	(2.99)	69.82
Total non-current assets		**2,156.54**	**(29.25)**	**2,127.29**	**(19.31)**	**2,107.98**
Current assets						
Inventories		9.65	-	9.65	-	9.65
Financial assets						
i. Investments		-	-	-		-
i. Trade receivables		93.82	-	93.82	(4.20)	89.62
ii. Cash and cash equivalents		149.85	-	149.85	-	149.85
iii. Bank balances other than cash and cash equivalents, above		-	-	-	-	-
iii. Loans	1	90.04	(0.40)	89.64	-	89.64
iv. Other financial assets		1.23	-	1.23	-	1.23
Other current assets	1	64.47	7.11	71.58	(3.25)	68.33
		409.06	**6.71**	**415.77**	**(7.45)**	**408.32**
Assets classified as held for sale		-	-	-	-	-
Total current assets		**409.06**	**6.71**	**415.77**	**(7.45)**	**408.32**
Total assets		**2,565.60**	**(22.54)**	**2,543.07**	**(26.76)**	**2,516.30**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		91.41	-	91.41	-	91.41
Other equity		962.78	(402.88)	559.91	(26.20)	533.71
Total equity		**1,054.19**	**(402.88)**	**651.32**	**(26.20)**	**625.12**
LIABILITIES						
Non-current liabilities						
Financial liabilities						
i. Borrowings		171.88	-	171.88	-	171.88
ii. Other financial liabilities		-	-	-	-	-
Provisions		19.48	-	19.48	-	19.48
Deferred tax liabilities (net)	7	238.69	(228.57)	10.13	(10.13)	-
Other non-current liabilities**	4,5	-	56.83	56.83	-	56.83
Total non-current liabilities		**430.05**	**(171.74)**	**258.32**	**(10.13)**	**248.19**
Current liabilities						
Financial liabilities						
i. Borrowings		174.63	-	174.63	-	174.63
ii. Trade payables		285.54	-	285.54	(4.60)	280.94
iii. Other financial liabilities		233.67	-	233.67	-	233.67
Other current liabilities**	4	362.45	552.07	914.52	-	914.52
Provisions		8.91	-	8.91	-	8.91
Current tax liabilities (net)		16.16	-	16.16	14.16	30.32
Total current liabilities		**1,081.36**	**552.07**	**1,633.43**	**9.57**	**1,642.99**
Total liabilities		**1,511.41**	**380.34**	**1,891.75**	**(0.56)**	**1,891.18**
Total equity and liabilities		**2,565.60**	**(22.54)**	**2,543.07**	**(26.76)**	**2,516.30**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

**Previous GAAP number has been adjusted to take effect of ommision w.r.t. lease equalisation reserve amounting to INR 23.47 alongwith corresponding deferred tax adjustement amounting to INR 7.98.

B.2 Reconciliation of equity as at March 31, 2015

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS adjustment	Ind AS	Restatement adjustment	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment		1,802.02	-	1,802.02	-	1,802.02
Capital work-in-progress		1.13	-	1.13	-	1.13
Intangible assets		56.42	-	56.42	-	56.42
Intangible assets under development		-	-	-	-	-
Financial assets						
i. Investments		0.10	-	0.10	-	0.10
ii. Loans	1	143.94	(60.50)	83.45	(0.94)	82.51
iii. Other financial assets		4.30	-	4.30	-	4.30
Deferred tax assets (net)	7	(5.54)	336.94	331.40	5.13	336.53
Income tax assets (net)		19.10	-	19.10	-	19.10
Other non-current assets	1	43.26	48.48	91.74	-	91.74
Total non-current assets		**2,064.73**	**324.92**	**2,389.66**	**4.19**	**2,393.85**
Current assets						
Inventories		27.12	-	27.12	-	27.12
Financial assets						
i. Investments		-	-	-		-
i. Trade receivables	4	217.08	-	217.09	(9.34)	207.75
ii. Cash and cash equivalents		151.84	-	151.84	-	151.84
iii. Bank balances other than cash and cash equivalents, above		-	-	-	-	-
iii. Loans	1	99.06	(0.43)	98.63	-	98.63
iv. Other financial assets		0.09	-	0.09	-	0.09
Other current assets	1	64.28	9.37	73.65	(5.49)	68.16
		559.47	**8.94**	**568.41**	**(14.83)**	**553.59**
Assets classified as held for sale		-	-	-	-	-
Total current assets		**559.47**	**8.94**	**568.41**	**(14.83)**	**553.59**
Total assets		**2,624.20**	**333.86**	**2,958.07**	**(10.64)**	**2,947.44**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		91.41	-	91.41	-	91.41
Other equity		1,370.68	(636.52)	734.16	(9.07)	725.09
Total equity		**1,462.09**	**(636.52)**	**825.57**	**(9.07)**	**816.50**
LIABILITIES						
Non-current liabilities						
Financial liabilities						
i. Borrowings		-	-	-	-	-
ii. Other financial liabilities	3	1.00	(0.93)	0.07	(0.02)	0.04
Provisions		42.02	-	42.02	-	42.02
Deferred tax liabilities (net)		-	-	-	-	-
Other non-current liabilities**	4,5		56.61	56.61	-	56.61
Total non-current liabilities		**43.02**	**55.68**	**98.70**	**(0.02)**	**98.67**
Current liabilities						
Financial liabilities						
i. Borrowings		68.22	-	68.22	-	68.22
ii. Trade payables		175.55	-	175.55	(2.71)	172.84
iii. Other financial liabilities	3	277.15	(0.08)	277.07	-	277.07
Other current liabilities**	4	490.49	914.79	1,405.28	1.27	1,406.57
Provisions		33.60	-	33.60	-	33.60
Current tax liabilities (net)		74.07	-	74.07	(0.10)	73.97
Total current liabilities		**1,119.08**	**914.71**	**2,033.80**	**(1.55)**	**2,032.27**
Total liabilities		**1,162.11**	**970.39**	**2,132.50**	**(1.57)**	**2,130.94**
Total equity and liabilities		**2,624.20**	**333.86**	**2,958.07**	**(10.64)**	**2,947.44**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

**Previous GAAP number has been adjusted to take effect of ommision w.r.t. lease equalisation reserve amounting to INR 52.04 alongwith corresponding deferred tax adjustement amounting to INR 17.69.

B.3 Reconciliation of equity as at March 31, 2016

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS adjustment	Ind AS	Restatement adjustment	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment		1,831.26	-	1,831.26	-	1,831.26
Capital work-in-progress		27.44	-	27.44	-	27.44
Intangible assets		54.58	-	54.58	-	54.58
Intangible assets under development		-	-	-	-	-
Financial assets						
i. Investments		-	-	-	-	-
i. Loans	1	173.11	(70.02)	103.09	(0.19)	102.90
ii. Other financial assets		7.21	-	7.21	-	7.21
Deferred tax assets (net)	7	33.54	374.17	407.71	(6.22)	401.49
Income tax assets (net)		19.10	-	19.10	-	19.10
Other non-current assets	1	51.64	54.78	106.42	-	106.42
Total non-current assets		**2,197.89**	**358.92**	**2,556.81**	**(6.41)**	**2,550.40**
Current assets						
Inventories		63.66	-	63.66	-	63.66
Financial assets						
i. Investments		-	-	-		-
i. Trade receivables	4	354.58	-	354.58	(12.94)	341.65
ii. Cash and cash equivalents		165.61	-	165.61	-	165.61
iii. Bank balances other than cash and cash equivalents, above		-	-	-	-	-
iii. Loans	1	113.92	(0.44)	113.48	-	113.48
iv. Other financial assets		0.10	-	0.10	-	0.10
Other current assets	1	84.76	10.88	95.64	(5.44)	90.21
		782.63	**10.44**	**793.07**	**(18.38)**	**774.71**
Assets classified as held for sale		-	-	-	-	-
Total current assets		**782.63**	**10.44**	**793.07**	**(18.38)**	**774.71**
Total assets		**2,980.52**	**369.36**	**3,349.88**	**(24.79)**	**3,325.11**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		91.41	-	91.41	-	91.41
Other equity		1,394.56	(619.06)	775.50	(9.51)	766.01
Total equity		**1,485.97**	**(619.06)**	**866.91**	**(9.51)**	**857.42**
LIABILITIES						
Non-current liabilities						
Financial liabilities						
i. Borrowings		7.69	-	7.69	-	7.69
ii. Other financial liabilities	3	21.63	(16.51)	5.12	(1.62)	3.50
Provisions		80.19	-	80.19	-	80.19
Deferred tax liabilities (net)		-	-	-	-	-
Other non-current liabilities**	4,5	-	83.43	83.43	-	83.43
Total non-current liabilities		**109.51**	**66.92**	**176.43**	**(1.62)**	**174.81**
Current liabilities						
Financial liabilities						
i. Borrowings		-	-	-	-	-
ii. Trade payables		163.13	-	163.13	(0.39)	162.75
iii. Other financial liabilities	3	265.81	(11.30)	254.51	(1.07)	253.43
Other current liabilities**	4	722.04	1,020.81	1,742.85	0.39	1,743.25
Provisions	2	140.03	(88.02)	52.01	-	52.01
Current tax liabilities (net)		94.04	-	94.04	(12.60)	81.44
Total current liabilities		**1,385.04**	**921.50**	**2,306.54**	**(13.66)**	**2,292.88**
Total liabilities		**1,494.55**	**988.42**	**2,482.97**	**(15.28)**	**2,467.69**
Total equity and liabilities		**2,980.52**	**369.36**	**3,349.88**	**(24.79)**	**3,325.11**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

**Previous GAAP number has been adjusted to take effect of ommision w.r.t. lease equalisation reserve amounting to INR 90.72 alongwith corresponding deferred tax adjustement amounting to INR 31.40.

B.4 Reconciliation of equity as at March 31, 2017

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS adjustment	Ind AS	Restatement adjustment	Restated Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment		1,442.53	-	1,442.53	-	1,442.53
Capital work-in-progress		23.11	-	23.11	-	23.11
Intangible assets		55.94	-	55.94	-	55.94
Intangible assets under development		-	-	-	-	-
Financial assets						
i. Investments		-	-	-	-	-
i. Loans	1	208.94	(86.03)	122.91		122.91
ii. Other financial assets		0.28	-	0.28	-	0.28
Deferred tax assets (net)	7	150.87	427.57	578.44	(0.40)	578.04
Income tax assets (net)		11.52	-	11.52	11.43	22.95
Other non-current assets	1	34.97	66.85	101.82	-	101.82
Total non-current assets		**1,928.16**	**408.39**	**2,336.55**	**11.03**	**2,347.58**
Current assets						
Inventories		40.60	-	40.60	-	40.60
Financial assets						
i. Investments		-	-	-		
i. Trade receivables	4	205.02	-	205.02	(4.20)	200.82
ii. Cash and cash equivalents		222.90	-	222.90	-	222.90
iii. Bank balances other than cash and cash equivalents, above		0.60	-	0.60	-	0.60
iv. Loans	1	134.69	(0.39)	134.30	-	134.30
v. Other financial assets		77.62	-	77.62	-	77.62
Other current assets	1	65.52	13.08	78.60	(6.11)	72.48
		746.95	12.69	759.64	(10.31)	749.32
Assets classified as held for sale		401.00	-	401.00	-	401.00
Total current assets		**1,147.95**	**12.69**	**1,160.64**	**(10.31)**	**1,150.32**
Total assets		**3,076.11**	**421.08**	**3,497.19**	**0.72**	**3,497.90**
EQUITY AND LIABILITIES						
Equity						
Equity share capital		91.41	-	91.41	-	91.41
Other equity		850.56	(807.74)	42.82	15.18	57.97
Total equity		**941.97**	**(807.74)**	**134.23**	**15.18**	**149.38**
LIABILITIES						
Non-current liabilities						
Financial liabilities						
i. Borrowings		-	-	-	-	-
ii. Other financial liabilities	3	27.15	(19.01)	8.14	(2.85)	5.29
Provisions		123.26	-	123.26	-	123.26
Deferred tax liabilities (net)		-	-	-	-	-
Other non-current liabilities	4	86.95	15.47	102.42	-	102.42
Total non-current liabilities		**237.36**	**(3.54)**	**233.82**	**(2.85)**	**230.97**
Current liabilities						
Financial liabilities						
i. Borrowings		-	-	-	-	-
i. Trade payables		163.15	-	163.15	-	163.15
ii. Other financial liabilities	3	393.07	(19.39)	373.68	(1.45)	372.23
Other current liabilities	4,5	1,240.11	1,251.76	2,491.86	2.44	2,494.32
Provisions		87.85	-	87.85	-	87.85
Current tax liabilities (net)		12.60	-	12.60	(12.60)	-
Total current liabilities		**1,896.78**	**1,232.37**	**3,129.14**	**(11.61)**	**3,117.55**
Total liabilities		**2,134.14**	**1,228.83**	**3,362.96**	**(14.46)**	**3,348.52**
Total equity and liabilities		**3,076.11**	**421.08**	**3,497.19**	**0.72**	**3,497.90**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

(Rupees in millions, unless otherwise stated)

B.5 Reconciliation of profit and loss for the year ended March 31, 2014

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS adjustment	Ind AS	Restatement adjustment	Restated Ind AS
Income						
Revenue from operations	4	3,615.28	(341.13)	3,274.14	3.20	3,277.34
Other income	1	19.60	4.20	23.80	(2.33)	21.47
Total income		**3,634.88**	**(336.94)**	**3,297.94**	**0.87**	**3,298.81**
Expenses						
Courseware and examination		198.54	-	198.54	-	198.54
Purchase of stock-in-trade		29.50	-	29.50	-	29.50
Changes in inventories of stock-in-trade		(4.68)	0.01	(4.67)	-	(4.67)
Employee benefit expenses	6	1,065.05	(2.40)	1,062.65	-	1,062.65
Depreciation and amortisation expense		62.56	0.34	62.91	(1.41)	61.50
Finance costs		39.21	-	39.21	-	39.21
Other expenses	1,5	1,333.90	8.40	1,342.30	0.92	1,343.22
Total expenses		**2,724.08**	**6.36**	**2,730.43**	**(0.49)**	**2,729.95**
Profit before tax		**910.80**	**(343.29)**	**567.51**	**1.35**	**568.86**
Income tax expense						
-Current tax		274.70	-	274.70	13.08	287.78
-Deferred tax charge/ (credit)	7	23.45	(120.89)	(97.44)	(0.83)	(98.26)
Total tax expense		**298.15**	**(120.89)**	**177.26**	**12.25**	**189.52**
Profit for the year as restated (A)		**612.65**	**(222.41)**	**390.24**	**(10.90)**	**379.34**
Other comprehensive income	6,9					
Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit liability (asset)		-	(2.40)	(2.40)	-	(2.40)
Income tax relating to above mentioned items		-	0.77	0.77	-	0.77
Other comprehensive income for the year, net of tax (B)		**-**	**(1.63)**	**(1.63)**	**-**	**(1.63)**
Total comprehensive income for the year as restated (A+B)		**612.65**	**(224.04)**	**388.62**	**(10.90)**	**377.71**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

B.6 Reconciliation of profit and loss for the year ended March 31, 2015

Particulars	Notes to First time adoption	Previous GAAP*	Ind AS adjustment	Ind AS	Restatement adjustment	Restated Ind AS
Income						
Revenue from operations	4	5,013.35	(359.02)	4,654.32	(5.44)	4,648.89
Other income	1	15.24	6.51	21.75	(1.89)	19.86
Total income		5,028.58	(352.51)	4,676.07	(7.32)	4,668.75
Expenses						
Courseware and examination		247.14	-	247.14	-	247.14
Purchase of stock-in-trade		53.88	-	53.88	-	53.88
Changes in inventories of stock-in-trade		(17.47)	-	(17.47)	-	(17.47)
Employee benefit expenses	3,6	1,761.82	(11.69)	1,750.14	(0.02)	1,750.11
Depreciation and amortisation expense		233.96	0.00	233.96	(15.45)	218.51
Finance costs		16.11	(0.01)	16.10	-	16.10
Other expenses	1,5	1,854.54	11.53	1,866.07	0.28	1,866.35
Total expenses		**4,149.98**	**(0.17)**	**4,149.81**	**(15.19)**	**4,134.62**
Profit before tax		**878.61**	**(352.34)**	**526.26**	**7.87**	**534.13**
Income tax expense						
-Current tax		347.51	-	347.51	(14.26)	333.25
-Deferred tax charge/ (credit)	7	(37.23)	(125.76)	(162.99)	5.02	(157.97)
Total tax expense		**310.28**	**(125.76)**	**184.52**	**(9.24)**	**175.28**
Profit for the year as restated (A)		**568.33**	**(226.58)**	**341.74**	**17.11**	**358.85**
Other comprehensive income	6,9					
Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit liability (asset)		-	(10.64)	(10.64)	-	(10.64)
Income tax relating to above mentioned items		-	3.59	3.59	-	3.59
Total other comprehensive income for the year, net of tax (B)		**-**	**(7.05)**	**(7.05)**	**-**	**(7.05)**
Total comprehensive income for the year as restated (A+B)		**568.33**	**(233.64)**	**334.69**	**17.11**	**351.80**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

(Rupees in millions, unless otherwise stated)

B.7 Reconciliation of profit and loss for the year ended March 31, 2016

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS adjustment	Ind AS	Restatement adjustment	Restated Ind AS
Income						
Revenue from operations	4	5,953.46	(127.95)	5,825.51	(1.23)	5,824.28
Other income	1	39.06	7.93	46.99	(2.71)	44.28
Total income		**5,992.52**	**(120.02)**	**5,872.50**	**(3.94)**	**5,868.56**
Expenses						
Courseware and examination		232.23	-	232.23	-	232.23
Purchase of stock-in-trade		89.28	-	89.28	-	89.28
Changes in inventories of stock-in-trade		(39.19)	-	(39.19)	-	(39.19)
Employee benefit expenses	3,6	2,193.00	(36.70)	2,156.30	(2.67)	2,153.63
Depreciation and amortisation expense		241.61	-	241.61	-	241.61
Finance costs		13.34	-	13.34	-	13.34
Other expenses	1,5	1,995.76	14.50	2,010.26	0.32	2,010.58
Total expenses		**4,726.03**	**(22.20)**	**4,703.83**	**(2.34)**	**4,701.48**
Profit before tax		**1,266.49**	**(97.82)**	**1,168.67**	**(1.60)**	**1,167.08**
Income tax expense						
-Current tax		482.35	-	482.35	(12.49)	469.86
-Deferred tax charge/ (credit)	7	(39.08)	(33.78)	(72.86)	11.34	(61.52)
Total tax expense		**443.27**	**(33.78)**	**409.49**	**(1.15)**	**408.34**
Profit for the year as restated (A)		**823.22**	**(64.04)**	**759.18**	**(0.45)**	**758.74**
Other comprehensive income	6,9					
Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit liability (asset)		-	(9.90)	(9.90)	-	(9.90)
Income tax relating to above mentioned items		-	3.43	3.43	-	3.43
Total other comprehensive income for the year, net of tax (B)		**-**	**(6.48)**	**(6.48)**	**-**	**(6.47)**
Total comprehensive income for the year as restated (A+B)		**823.22**	**(70.51)**	**752.70**	**(0.45)**	**752.27**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

B.8 Reconciliation of profit and loss for the year ended March 31, 2017

Particulars	Notes to first time adoption	Previous GAAP*	Ind AS adjustment	Ind AS	Restatement adjustment	Restated Ind AS
Income						
Revenue from operations	4	7,510.67	(289.48)	7,221.18	3.10	7,224.28
Other income	1	63.95	9.99	73.94	(2.05)	71.88
Total income		**7,574.61**	**(279.49)**	**7,295.12**	**1.04**	**7,296.16**
Expenses						
Courseware and examination		281.32	-	281.32	-	281.32
Purchase of stock-in-trade		38.04	-	38.04	-	38.04
Changes in inventories of stock-in-trade		14.84	-	14.84	-	14.84
Employee benefit expenses	3,6	2,995.13	(29.69)	2,965.44	(2.22)	2,963.22
Depreciation and amortisation expense		304.53	-	304.53	-	304.53
Impairment on assets held for sale		179.23	-	179.23	-	179.23
Finance costs		9.38	-	9.38	-	9.38
Other expenses	1,5	2,567.15	(114.77)	2,452.38	(4.16)	2,448.16
Total expenses		**6,389.64**	**(144.46)**	**6,245.16**	**(6.38)**	**6,238.72**
Profit before tax		**1,184.97**	**(135.03)**	**1,049.96**	**7.42**	**1,057.44**
Income tax expense						
-Current tax		603.27	-	603.27	(11.43)	591.84
-Deferred tax charge/ (credit)	7	(117.33)	(46.87)	(164.20)	(5.83)	(169.93)
Total tax expense		485.94	(46.87)	439.07	(17.27)	421.91
Profit for the year as restated (A)		**699.03**	**(88.16)**	**610.89**	**24.69**	**635.53**
Other comprehensive income	6,9					
Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit liability (asset)		-	(19.10)	(19.10)	-	(19.10)
Income tax relating to above mentioned items		-	6.61	6.61	-	6.61
Total other comprehensive income for the year, net of tax (B)		**-**	**(12.49)**	**(12.49)**	**-**	**(12.49)**
Total comprehensive income for the year as restated (A+B)		**699.03**	**(100.65)**	**598.40**	**24.69**	**623.04**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

(Rupees in millions, unless otherwise stated)

B.9 Reconciliation of Cash Flows

Financial Year ended March 31, 2017	**Notes**	**Previous GAAP**	**Restated Ind AS**	**Adjustments**
Net cash inflow from operating activities		1,880.82	1,874.38	6.45
Net cash outflow from investing activities		(468.44)	(465.12)	(3.32)
Net cash outflow from financing activities	8	(1,355.09)	(1,351.97)	(3.12)
Net increase/(decrease) in cash and cash equivalents		57.29	57.29	0.00
Cash and cash equivalents as at March 31, 2016	8	165.61	165.61	(0.00)
Cash and cash equivalents as at March 31, 2017	8	**222.90**	**222.90**	**0.00**
Financial Year ended March 31, 2016				
Net cash inflow from operating activities		1,180.77	1,077.89	102.88
Net cash outflow from investing activities	8	(283.26)	(281.37)	(1.89)
Net cash outflow from financing activities		(887.23)	(714.53)	(172.71)
Net increase/(decrease) in cash and cash equivalents	8	10.28	81.99	(71.71)
Cash and cash equivalents as at March 31, 2015	8	155.33	83.62	71.71
Cash and cash equivalents as at March 31, 2016		**165.61**	**165.61**	(0.01)
Financial Year ended March 31, 2015		-	-	
Net cash inflow from operating activities	8	753.84	803.44	(49.61)
Net cash outflow from investing activities		(300.85)	(299.55)	(1.30)
Net cash outflow from financing activities	8	(449.64)	(395.49)	(54.15)
Net increase/(decrease) in cash and cash equivalents	8	3.35	108.40	(105.06)
Cash and cash equivalents as at March 31, 2014		151.98	(24.78)	176.76
Cash and cash equivalents as at March 31, 2015		**155.33**	**83.62**	**71.71**
Financial Year ended March 31, 2014	8	-	-	
Net cash inflow from operating activities		901.21	949.07	(47.85)
Net cash outflow from investing activities	8	(468.21)	(470.32)	2.10
Net cash outflow from financing activities	8	(324.53)	(548.97)	224.44
Net increase/(decrease) in cash and cash equivalents		108.47	(70.22)	178.69
Cash and cash equivalents as at March 31, 2013		43.51	45.44	(1.93)
Cash and cash equivalents as at March 31, 2014		**151.98**	**(24.78)**	**176.76**

(Rupees in millions, unless otherwise stated)

B.10 Reconciliation of total equity

	Note to first time adoption	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Total equity (shareholder's fund) as per previous GAAP		**941.97**	**1,485.97**	**1,462.09**	**1,054.19**
Adjustments:					
Cumulative Ind AS adjustments from previous year		(619.06)	(636.52)	(402.88)	(178.89)
Security deposits measured at amortised cost	1	(1.78)	(1.59)	(1.54)	(0.87)
Proposed dividend	2	(73.13)	73.13	-	-
Tax on proposed dividend	2	(14.89)	14.89	-	-
Sincerity fund	3	10.58	26.80	1.01	-
Change in revenue recognition	4	(289.48)	(127.95)	(359.02)	(341.12)
Lease equalisation reserve	5	126.56	(4.86)	(3.54)	(3.69)
Tax effects of adjustments	7	53.46	37.04	129.45	121.69
Total adjustments		**(807.74)**	**(619.06)**	**(636.52)**	**(402.88)**
Total equity as per Ind AS before restatement adjustment		**134.23**	**866.91**	**825.57**	**651.32**
Restatement adjustment		15.18	(9.51)	(9.07)	(26.20)
Total equity as restated		**149.38**	**857.42**	**816.50**	**625.12**

B.11 Reconciliation of total comprehensive income

	Note to first time adoption	March 31, 2017	March 31, 2016 Proforma	March 31, 2015 Proforma	March 31, 2014 Proforma
Profit after tax as per previous GAAP		699.03	823.22	568.33	612.65
Adjustments:					
Security deposits measured at amortised cost	1	(1.78)	(1.59)	(1.54)	(0.87)
Sincerity fund	3	10.58	26.80	1.01	-
Change in revenue recognition	4	(289.48)	(127.95)	(359.02)	(341.12)
Lease equalisation reserve	5	126.56	(4.86)	(3.54)	(3.69)
Re-measurement of the defined benefit obligation	6	19.10	9.90	10.64	2.40
Tax effects of adjustments	7	46.88	33.66	125.86	120.88
Total adjustments		**(88.14)**	**(64.04)**	**(226.58)**	**(222.41)**
Profit after tax as per Ind AS		**610.89**	**759.18**	**341.74**	**390.24**
Other comprehensive income					
Total other comprehensive income, net of tax	9	(12.49)	(6.47)	(7.05)	(1.63)
Total comprehensive income as per Ind AS before restatement adjustment		**598.40**	**752.70**	**334.69**	**388.62**
Restatement adjustment		24.64	(0.44)	17.11	(10.91)
Total comprehensive income as restated		**623.04**	**752.27**	**351.80**	**377.71**

Notes to reconciliation of restated equity as at March 31, 2017, 2016, 2015, 2014 and 2013 and restated profit and loss for the year ended March 31, 2017, 2016, 2015 and 2014.

1 Security deposits measured at amortised cost

Under previous GAAP, interest free security deposits assets (that are refundable in cash on completion of the contract term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value at initial recognition and subsequently at amortised cost. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

2 Proposed dividend including tax on proposed dividend

Under previous GAAP, dividends proposed by the board of directors after the reporting date but before the approval of financial statements were considered to be adjusting event and accordingly recognised (along with related dividend distribution tax) as liabilities at the reporting date. Under Ind AS, dividends so proposed by the board are considered to be non-adjusting event. Accordingly, provision for proposed dividend and dividend distribution tax recognised under previous GAAP has been reversed.

3 Sincerity fund

These employee benefits will be settled beyond 12 months of the annual reporting period in which the employees render the service that give rise to this benefit.

Under previous GAAP, these benefits were recognised fully as and when deducted on their transaction value. This benefit will be earned over the period of two years and will be paid after completion of the two year vesting period. Under Ind AS, the liability to pay these benefits are recognised on a straightline basis over the remaining vesting period and is recognised at fair value at initial recognition and subsequently at amortised cost.

4 Change in revenue recognition

Under previous GAAP, the Company recognised below mentioned elements of revenue upfront either on commencement of course or on receipt basis.

Under Ind AS, revenue is recognised and measured for each separately identifiable goods or service and the consideration is allocated in respect of each separable component of a transaction at its fair value in accordance with the principles of Ind AS 18. Consequently, the Company has recognised the revenue at fair value and has deferred the revenue for some elements of its transaction i.e. (i) revenue earned from owned centers including admission fees and registration fees in relation to the course; (ii) Franchisee revenue which includes the share of course fees; (iii) Aakash live tuition fees; (iv) iTutor revenue from sale of online learning material. These are now recognised over the course period under Ind AS as it better reflects the substance of the transaction. Further, revenue from franchisee fee is recognised over the contractual period.

5 Lease equalisation reserve

Under previous GAAP, operating lease rentals were straight lined over the lease term as at and during the financial year ended March 31, 2017. However, this Previous GAAP accounting policy was not followed by the Company as at and during the year ended and March 31, 2016, 2015 and 2014. Further, impact of rent free period was not considered for financial year ended March 31, 2017, 2016, 2015 and 2014. Under Ind AS, if the payments by the lessee are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost, rental expense is not required to be recognised on straight-lined basis. Accordingly, the liability recognised due to straight line of lease rentals, which are associated with increase in lease rentals on account of general inflation to compensate for the lessor's expected inflation cost, as recognised in the previous GAAP during the year ended March 31, 2017 has been reversed with the corresponding adjustment to the Statement of Profit and Loss for respective financial years. Further, under Ind AS for leases, where escalation is not in line with general inflation, the lease expense has been recognised on straight line basis for the years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014.

6 Re-measurement of the defined benefit obligation (net of tax)
Under Ind AS, all actuarial gains and losses on defined benefit obligations are recognised in other comprehensive income. Under Previous GAAP the Company recognised actuarial gains and losses in Restated Statement of Profit and Loss. However, this has no impact on the total comprehensive income and total equity as at March 31, 2017, 2016, 2015 and 2014.

7 Tax effects of adjustments
Additional deferred tax asset/(liability) has been recognised corresponding to the adjustments to retained earnings/profit or loss as a result of Ind AS adjustments.

8 Bank overdrafts
Under Ind AS, bank overdrafts repayable on demand and which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities.

9 Other comprehensive income
Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the restated statement of profit and loss as ‘other comprehensive income’ includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 42: Subsequent events*

a) Conversion of Company into public limited company: In the extra-ordinary general meeting of shareholders held on June 18, 2018, the name of the Company was changed from Aakash Educational Services Private Limited to Aakash Educational Services Limited.

b) Sub-division of equity shares from the face value of INR 10 to face Value of INR 5 per equity share: In the extra-ordinary general meeting of shareholders held on June 18, 2018, equity share of the Company having a face value of INR 10 each subdivided into two equity shares having a face value of INR 5 each.

c) Issue of bonus shares: Pursuant to the approval granted in the extra-ordinary general meeting of shareholders held on May 10, 2018, on May 21, 2018 the Company allotted, distributed or credited fully paid-up ‘bonus shares’ at par in proportion of one new equity share of INR 10 each for every five existing fully paid up equity share of INR 10 each held as on the date of this extra-ordinary general meeting i.e. May 10, 2018.

d) Amendment in Aakash Educational Services Private Limited Employee Stock Options Plan 2015 (“AAKASHESOP-2015”): In the extra-ordinary general meeting of shareholders held on May 10, 2018, AAKASHESOP-2015 has been amended with effect from May 10, 2018, in line with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

*Earning per share is recomputed and presented for all comparable periods after taking impact of above change in the Share Capital (refer Annexure VI, note 40).

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure VII - Restated statement of adjustments to audited financial statements
(Rupees in millions, unless otherwise stated)

Summarised below are the restatement adjustments made to the audited financial statements for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and their impact on the profit of the Company.

	Particulars	Notes /Annexure	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
(A)	**Net profit after tax as per audited financial statements prepared under Previous GAAP**			699.03	823.22	568.33	612.65
(B)	**Ind AS Adjustments**						
	Security deposits measured at amortised cost	41 of Annexure VI		(1.78)	(1.59)	(1.54)	(0.87)
	Sincerity fund	41 of Annexure VI		10.58	26.80	1.01	-
	Actuarial gain/(loss) reclassification	41 of Annexure VI		19.10	9.90	10.64	2.40
	Change in revenue recognition	41 of Annexure VI		(289.48)	(127.95)	(359.02)	(341.12)
	Lease equalisation reserve	41 of Annexure VI		126.56	(4.86)	(3.54)	(3.69)
	Tax effects of adjustments	41 of Annexure VI		46.88	33.66	125.86	120.88
	Total Ind AS adjustments			**(88.14)**	**(64.04)**	**(226.58)**	**(222.41)**
(C)	**Net profit after tax as per Ind AS (A+B)**		**1,616.99**	**610.89**	**759.18**	**341.74**	**390.24**
(D)	**Adjustments:**						
	Material Restatement Adjustments						
	(i) Audit Qualifications	Note (1)	-	-	-	-	-
	Total		-	-	-	-	-
	(ii) Other material adjustments						
	Provision for doubtful debts and advances	Note 2(a)	-	3.20	1.89	(1.13)	1.45
	Bad debts written off	Note 2(b)	(3.69)	1.78	(1.14)	(0.64)	(0.71)
	Security deposits and advances written off	Note 2(c)	6.24	(0.81)	(1.47)	(1.50)	(1.81)
	Liabilities/provisions written back	Note 2(d)	(0.54)	(2.05)	(1.71)	(1.89)	(2.18)
	Settlement of old legal cases	Note 2(e)	-	-	-	2.99	-
	Prior period tax	Note 2(f)	(24.03)	11.43	12.49	14.26	(13.08)
	Change in useful life of asset	Note 2(g)	-	-	-	15.45	1.41
	Forfeiture of sincerity fund expense	Note 2(h)	(4.30)	2.22	2.06	0.02	-
	Revenue recognition	Note 2(i)	7.06	3.10	(1.23)	(5.36)	3.20
	Total		**(19.26)**	**18.86**	**10.90**	**22.21**	**(11.73)**
	(iii) Deferred tax on restatement adjustments	Note 4	4.10	5.78	(11.34)	(5.10)	0.83
	Total		**4.10**	**5.78**	**(11.34)**	**(5.10)**	**0.83**
(E)	**Total impact of restatement adjustments (i)+(ii)+(iii)**		**(15.15)**	**24.64**	**(0.44)**	**17.11**	**(10.91)**
	Net profit as restated (C+E)		**1,601.84**	**635.53**	**758.74**	**358.85**	**379.34**

There were no Ind AS adjustment for the year ended March 31, 2018 as the financial statements has been prepared under Ind AS

Notes to Adjustments

1 **Adjustments for Audit Qualifications**: None (also refer Note 4 below for non-adjusted Company Auditor's Report Order comments)

2 **Other material adjustments**

(a) Provision for doubtful debts and advances - The Company had created certain provisions for doubtful debts and advances in relation to debts and advances, which were recorded in earlier years. For the purpose of Restated Financial Information, adjustment has been made in the respective years in which the trade receivables and advances were initially recorded.

(b) Bad debts written off - The Company had written off certain trade receivables, which were no longer expected to be recovered. Such write offs have been restated in the respective years, in which such trade receivables were initially recorded.

(c) Security deposits and advances written off - The Company has written off certain security deposits and other advances, which were no longer expected to be recovered. Such write offs have been restated in the respective years, in which such security deposits and advances were initially recorded.

(d) **Liabilities/provisions written back**

(i) Provision for doubtful debts and advances written back - The Company had written back certain provision for doubtful debts and advances, which was initially created in the earlier years. For the purpose of Restated Financial Information, adjustment has been made in the year in which the provisions were initially recorded.

(ii) Other provision/ liabilities written back - The Company had written back certain other provisions/ liabilities, which were created in the earlier years. For the purpose of this Restated Financial Information, adjustments have been appropriately made in the respective years in which such provisions/ liabilities were initially recorded.

(e) **Settlement of old legal cases**

Service tax - During the financial year ended March 31, 2015, the Company settled the claim for service tax liability as per the demand raised by the department. The Company has paid the amount of such liability as advance under protest prior to March 31, 2013. Based on the settlement, the Company has recognised the amount of service tax paid under protest as an expense in the Statement of Profit and Loss for the year ended March 31, 2015 which was related to the earlier year. For the purpose of this Restated Financial Information, the said service tax expense has been appropriately adjusted in the opening equity as at April 1, 2013 as it pertains to period prior to March 31, 2013.

Sales tax - During the financial year ended March 31, 2015, the Company settled the claim for sales tax liability as per the demand raised by the department. Due to the settlement, certain amount was adjusted against the demand already paid by the Company prior to March 31, 2013 and the remaining settlement was adjusted againt the amount recoverable from the authorities for other cases which was settled in the favour of the Company. Based on the settlement, the Company has recognised the amount of sales tax paid in advance as an expense in the Statement of Profit and Loss for the year ended March 31, 2015 which was related to the earlier year. For the purpose of this Restated Financial Information, the said sales tax expense has been appropriately adjusted in the opening equity as at April 1, 2013 as it pertains to period prior to March 31, 2013.

(f) **Prior period tax** - In the audited financial statements, the Company has recorded prior period income tax. For the purpose of Restated Financial Information, the income tax expense has been appropriately adjusted in the respective year to which it relates to.

(g) **Change in useful life of asset** - The carrying amount of fixed assets whose useful life as on April 1, 2014 had been completed as per Schedule II to the Companies Act 2013 was adjusted in the opening balance of retained earnings as on April 1, 2014. Depreciation as per the transitional provision, has been adjusted to the respective years to effect the difference in the useful life.

(h) **Forfeiture of sincerity fund expense** - The Company had created sincerity fund liability which was payable to the employees after the employees completes the minimum tenure of service and comply with other terms and conditions of the plan. In the audited financial statements, the Company had forfeited and written back certain amount of sincerity fund liability for employees who have resigned during the year before completing the minimum tenure of service and the same was considered as no longer payable to the employees. In this Restated Financial Information, the write back has been adjusted to the respective years in which they were initially recorded.

(i) **Revenue recognition** - In the audited financial statements, the Company had reversed the revenue accrued and due from the students which were no longer expected to be recovered. For the purpose of these restated financial information such reversal has been restated in the respective years, in which revenue was initially recorded.

3 Deferred tax on restatement adjustments:

The tax rate applicable for the respective years has been used to calculate the deferred tax impact on the adjustments.

4 Auditor's Comment in Company Auditor's Report Order -

Statutory Auditors have made the following comments in terms with the requirements of the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Companies act, 2013 of India for Financial Year 2017-18 and 2016-17

Annexure to Auditor's Report for the Financial Year ended March 31, 2017

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, value added tax, works contract tax, income tax and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance and other material statutory dues, as applicable, with the appropriate authorities.

Annexure to Auditor's Report for the Financial Year ended March 31, 2018

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, value added tax, sales tax, employees' state insurance, income tax, service tax, goods and service tax (GST), cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in certain cases of deposit of income tax and professional tax during the year.

5 Reconciliation of retained earnings as at April 1, 2013

		April 1, 2013
(A)	**Total retained earnings as per Previous GAAP**	**617.52**
(B)	**Ind AS Adjustments**	
	Security deposits measured at amortised cost	(0.71)
	Change in revenue recognition	(261.69)
	Lease equalization reserve	(2.42)
	Tax effects of adjustments	85.93
	Total Ind AS adjustments	**(178.88)**
(C)	**Total Retained earnings as per Ind AS (A+B)**	**438.64**
(D)	**Material Restatement Adjustments**	
	(i) Other material adjustments	
	Bad debts written off	(1.90)
	Advances written off	(1.85)
	Liabilities/provisions written back	6.78
	Settlement of old legal case	(2.99)
	Prior period tax	(1.08)
	Change in useful life of asset	(16.85)
	Revenue recognition	(6.69)
	Total	**(24.60)**
	(ii) Deferred tax on restatement adjustments	9.33
	Total	**9.33**
(E)	**Total impact of restatement adjustments (i)+(ii)**	**(15.27)**
	Total Retained earnings as restated (C+E)	**423.37**

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure VIII - Restated statement of accounting ratios
(Rupees in millions, unless otherwise stated)

Restated Statement of Accounting Ratios

a) Before considering the impact of bonus shares and sub - division of shares issued subsequent to March 31, 2018 :

		For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Earnings per equity share (Face Value of INR 10 each)						
Basic earnings per share (in INR) *		58.34	23.16	27.64	13.07	13.82
Diluted earnings per share (in INR)*		58.22	23.14	27.64	13.07	13.82
Return on Net Worth % *		272.13%	425.44%	88.49%	43.95%	60.68%
Net asset value per equity share (INR) *		21.19	16.34	93.79	89.32	68.38
Weighted average number of equity shares for Basic Earnings Per Equity Share		27,455,806	27,446,179	27,446,179	27,446,179	27,446,179
Weighted average number of equity shares for Diluted Earnings Per Equity Share		27,512,728	27,463,495	27,446,179	27,446,179	27,446,179
Restated net profit after tax attributable to Owners of Aakash Educational Services Limited (INR in million)		1,601.84	635.53	758.74	358.85	379.34
Share capital (INR in Million)	**14 (a)**	277.73	91.41	91.41	91.41	91.41
Reserves (Other equity), as restated (INR in million)		310.91	57.97	766.01	725.09	533.71
Net worth, as restated (INR in Million)		588.64	149.38	857.42	816.50	625.12

* presented in two decimals

1. The ratios on the basis of Restated financial information have been computed as below:

Basic Earnings per share (INR) = $\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$

Diluted Earnings per share (INR) = $\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$

Return on net worth (%) = $\frac{\text{Net profit after tax, as restated}}{\text{Net worth at the end of the year}}$

Net Asset Value (NAV) per equity share (INR) = $\frac{\text{Net worth as restated at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year 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. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date. (Refer Annexure VI, Note 40)

3. Net Worth = Equity share capital + Other Equity (including Securities Premium, General reserve, Employee Stock Option Outstanding, and Retained earnings)

4. The above ratios have been computed on the basis of the Restated Financial Information - Annexure I to Annexure IV.

b) After considering the impact of bonus shares and sub - division of shares issued subsequent to March 31, 2018 :

	Notes /Annexure VI	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Earnings per equity share (Face Value of INR 5 each)						
Basic earnings per share (in INR) *	**40**	24.26	9.63	11.50	5.44	5.75
Diluted earnings per share (in INR)*	**40**	24.21	9.62	11.50	5.44	5.75
Return on Net Worth % *		272.13%	425.44%	88.49%	43.95%	60.68%
Net asset value per equity share (INR) *		8.83	2.26	12.99	12.37	9.47
Weighted average number of equity shares for Basic Earnings Per Equity Share	**40**	66,020,714	66,001,460	66,001,460	66,001,460	66,001,460
Weighted average number of equity shares for Diluted Earnings Per Equity Share	**40**	66,157,328	66,043,018	66,001,460	66,001,460	66,001,460
Restated net profit after tax attributable to Owners of Aakash Educational Services Limited (INR in million)		1,601.84	635.53	758.74	358.85	379.34
Share capital (INR in Million)	**14 (a)**	277.73	91.41	91.41	91.41	91.41
Reserves (Other equity), as restated (INR in million)		310.91	57.97	766.01	725.09	533.71
Net worth, as restated (INR in Million)		588.64	149.38	857.42	816.50	625.12

* presented in two decimals

1. The ratios on the basis of Restated financial information have been computed as below:

$$\text{Basic Earnings per share (INR)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$$

$$\text{Diluted Earnings per share (INR)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$$

$$\text{Return on net worth (\%)} = \frac{\text{Net profit after tax, as restated}}{\text{Net worth at the end of the year, as restated}}$$

$$\text{Net Asset Value (NAV) per equity share (INR)} = \frac{\text{Net worth as restated at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year 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. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date. (Refer Annexure VI, Note 40)

3. Net Worth = Equity share capital + Other Equity (including Securities Premium, General reserve, Employee Stock Option Outstanding, and Retained earnings)

4. The above ratios have been computed on the basis of the Restated Financial Information and the subsequent issue of bonus share and sub-division of equity shares of the Company mentioned in Annexure VI, note 42.

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure IX - Restated statement of capitalisation
(Rupees in millions, unless otherwise stated)

Particulars	Pre Issue As at March 31, 2018	Post Issue As at March 31, 2018 (As adjusted for IPO)#
Debt	-	-
Shareholder's Fund		
Share Capital	277.73	
Reserves (Other equity), as restated	310.91	
Total Shareholders' fund	**588.64**	
Debt/Equity Ratio	-	

Note:
i) The above has been computed on the basis of the Restated Financial Information - Annexure I to Annexure IV.

#The Selling Shareholders are proposing to offer the equity shares of the Company to the public by way of an initial public offering. Hence, there will be no change in the shareholders' funds post issue.

Annexure X
a) Restated statement of dividend paid at face value of INR 10 per share

Particulars	Paid during the year ended March 31, 2018	Paid during the year ended March 31, 2017	Paid during the year ended March 31, 2016 Proforma	Paid during the year ended March 31, 2015 Proforma	Paid during the year ended March 31, 2014 Proforma
Number of equity shares outstanding (in million)	27.77	9.14	9.14	9.14	9.14
Face Value per share	10.00	10.00	10.00	10.00	10.00
Dividend paid (INR in million)	1,343.79	1,110.68	594.19	137.12	228.53
Dividend tax paid (INR in million)	273.56	226.12	120.96	23.30	38.84
Rate of Dividend (%)	483.85%	1215.00%	650.00%	150.00%	249.99%
Dividend tax rate	20.36%	20.36%	20.36%	16.99%	17.00%
Dividend per equity share (in INR)	48.39	121.50	65.00	15.00	25.00

b) Restated statement of dividend paid at face value of INR 5 per share *

Particulars	Paid during the year ended March 31, 2018	Paid during the year ended March 31, 2017	Paid during the year ended March 31, 2016 Proforma	Paid during the year ended March 31, 2015 Proforma	Paid during the year ended March 31, 2014 Proforma
Number of equity shares outstanding (in million)	55.55	18.28	18.28	18.28	18.28
Face Value per share	5.00	5.00	5.00	5.00	5.00
Dividend paid (INR in million)	1,343.79	1,110.68	594.19	137.12	228.53
Dividend tax paid (INR in million)	273.56	226.12	120.96	23.30	38.84
Rate of Dividend (%)	483.85%	1215.00%	650.00%	150.00%	249.99%
Dividend tax rate	20.36%	20.36%	20.36%	16.99%	17.00%
Dividend per equity share (in INR)	24.19	60.75	32.50	7.50	12.50

* Refer Annexure VI, Note 42

Aakash Educational Services Limited (Formerly Aakash Educational Services Private Limited)
Annexure XI - Restated statement of tax shelter
(Rupees in millions, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 Proforma	For the year ended March 31, 2015 Proforma	For the year ended March 31, 2014 Proforma
Profit before tax- as restated (A)	2,426.57	1,057.44	1,167.08	534.13	568.86
Company's domestic tax rate (B)	34.61%	34.61%	34.61%	33.99%	33.99%
Tax using the Company's domestic tax rate (C)	839.79	365.96	403.90	181.55	193.36
Adjustments					
Tax impact of permanent differences due to:					
Income not considered for tax purpose/ Exempt income	(18.16)	(4.16)	-	-	-
Interest on income tax	0.24	2.44	2.77	-	-
Donation	0.32	0.10	0.30	0.11	0.18
Wealth tax	-	-	-	0.17	0.16
Impact due to change in income tax rate	(2.96)	-	-	(6.55)	(4.05)
Corporate social responsibility	-	0.48	0.03	-	-
Prior period expense	-	-	1.32	-	-
Losses taxable at different tax rate	0.78	17.54	-	-	-
Losses which are not allowable on which no deferred tax has been created	1.55	38.11	-	-	-
Others	3.19	1.46	(0.06)	-	(0.11)
Total Tax impact on Permanent Difference (D)	**(15.04)**	**55.97**	**4.36**	**(6.27)**	**(3.82)**
Tax impact on Timing Difference due to:					
Property, plant and equipment and Intangible assets	40.14	41.10	19.63	13.20	(26.28)
Compensated absences	0.85	10.37	8.66	7.24	3.12
Managerial commission	-	-	-	-	(4.50)
Gratuity	19.15	16.46	(5.56)	6.75	3.03
Provision for doubtful debtors/other receivables and debtors/advances written off	0.16	0.22	1.28	(0.14)	1.10
Rent equalisation reserve	0.74	2.58	1.68	1.26	1.29
Other items	1.51	0.96	1.11	0.14	1.48
Employee benefits	(2.38)	(0.87)	(9.99)	(0.36)	-
Deferred revenue	(312.66)	99.11	44.71	129.88	119.00
Total Tax impact of Timing Difference (E)	**(252.49)**	**169.93**	**61.52**	**157.97**	**98.26**
Net Adjustment I= (D+E)	**(267.55)**	**225.88**	**65.96**	**151.70**	**94.42**
Tax Liability I = (C+I)	**572.24**	**591.84**	**469.86**	**333.25**	**287.78**

Notes:

1 The Company has not recognised deferred tax assets on capital loss on sale of land as on year end. The Company estimates, there is no reasonable certainty that the difference will reverse in the forseable future and taxable long-term capital gains will not be available against which the temporary difference can be utilised.

FINANCIAL INDEBTEDNESS

Overdraft Facility with HDFC Bank Limited

Our Company has availed an overdraft facility of ₹ 300,000,000 from HDFC Bank Limited pursuant to a sanction letter dated December 26, 2017. As on June 30, 2018, our Company did not have any outstanding borrowing pursuant to such overdraft facility. The principal terms of the above-mentioned facility are as follows:

1. ***Limit***: ₹ 300,000,000.

2. ***Validity***: 12 months, subject to review at periodical intervals wherein the facility may be continued, cancelled or reduced depending upon the conduct and utilization of the facility. Further, HDFC Bank Limited has the right to review the facility in case of any change in the ownership, management or control of our Company and the Company is required to immediately inform the lender of any such proposed changes.

3. ***Repayment***: On demand.

4. ***Purpose***: Cash flow mismatch. The facility is not permitted to be utilized for investments in shares, debentures, advances and inter-corporate loans/deposits to other companies.

5. ***Rate of interest***: Applicable fixed deposit rate plus 50 basis points, payable at monthly rests. For delays in repayment, a penal interest of 2% is also payable.

6. ***Security***: First charge on fixed deposit of ₹ 300,000,000 maintained by our Company with HDFC Bank Limited.

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

You should read the following discussion and analysis of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, together with our consolidated financial information as at and for the fiscal years ended March 31, 2018, 2017 and 2016 including the notes thereto and reports thereon, each included in this Draft Red Herring Prospectus. Our financial information, as included in this Draft Red Herring Prospectus, in respect of the year ended March 31, 2018, and comparative March 31, 2017 (being the comparative period for the year ended March 31, 2018), are prepared in accordance with Indian Accounting Standards and restated in accordance with the requirements of SEBI ICDR Regulations and the Companies Act, and for the year ended March 31, 2016 was prepared in accordance with the Previous GAAP, which have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by our Company on its first-time adoption of Ind AS on the transition date and are restated in accordance with requirements of SEBI ICDR Regulations and the Companies Act. Accordingly, the degree to which our financial information will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS.

This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance, which are subject to numerous risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read "Risk Factors" and "Forward-Looking Statements" beginning on pages 15 and 13, respectively, which discusses a number of factors and contingencies that could affect our financial condition and results of operations.

Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year, or "FY", are to the 12 months ended March 31 of that year. Unless otherwise stated, all non-financial information presented in this section is based upon our Owned Centers and does not include Franchisee Centers.

This DRHP also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this DRHP. Please see the section "Forward-Looking Statements" on page 13. To obtain a complete understanding, prospective investors should read this section in conjunction with the sections "Industry Overview", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 92, 15 and 276, respectively, as well as the other financial information contained in this Draft Red Herring Prospectus.

Industry and market data used in this section have been extracted from the CRISIL Report. For further details and risks in relation to the CRISIL Report, see "Risk Factors – 29. This Draft Red Herring Prospectus contains information from industry sources including a report commissioned from CRISIL. Prospective investors are advised not to place undue reliance on such information" on page 33 and "Certain Conventions, Presentation of Financial, Industry and Market Data" on page 10 of this Draft Red Herring Prospectus, respectively.

Overview

We are the largest player in the coaching industry in India as measured by revenue in FY2017, according to CRISIL. We provide comprehensive test preparatory services for students preparing for medical and engineering entrance examinations for Class 11 and Class 12 students, and foundation courses (covering school boards and junior competitive examinations) for students across Class 8 to Class 10. We provide our services through classroom-based coaching and digital and distance learning, which supplement our classroom courses and allow students to engage in self-paced learning. We also offer short-term classroom courses to prepare students for upcoming examinations.

The first center under our "Aakash" brand was started in 1988, offering test preparatory services for medical entrance examinations. As of March 31, 2018, we have 170 classroom centers (the "**Aakash Centers**") across 103 cities and 23 states / union territories, of which we operate 67 through Franchisee arrangements. As of March 31, 2018, we have a Student Count of 193,313 in our long-term classroom courses (comprising two-year courses, one-year courses and repeater courses) ("**Long-Term Courses**") (including at Franchisee Centers), and a Student Count of 16,250 in our digital and distance learning courses. Our Student Count (excluding those in short-term or ad-hoc courses) grew at a compound annual growth rate ("**CAGR**") of 16.78% from FY2016 to FY2018. As of March 31, 2018, we employ 1,969 faculty members at our Owned Centers.

We deliver and support our education channels through digital features, including recorded video lectures and integrated test and assessment via Aakash iTutor which includes online assessment and test series via the Aakash Test Management System, and live interactive classes via Aakash Live. These programs expand our geographical reach beyond classrooms by allowing students to learn remotely and yet in an interactive manner. We also use digital features to enhance our classroom students' learning experience, for example through the ability to view video lectures for the lessons they missed and, in foundation classes, through the use of audio-visual technology, such as interactive whiteboards. As of March 31, 2018, we have a Student Count of 7,701 in Aakash Live and Aakash iTutor, and from FY2016 to FY2018, our Student Count in these courses grew at a CAGR of 54.94%.

We categorize our programs into three brands:

(i) ***Aakash Medical***: Started in 1988, we now offer test preparatory courses for students in Class 11 and Class 12, and repeater courses for students who have passed Class 12, undertaking entrance examinations for medical undergraduate degree courses, including the National Eligibility Cum Entrance Test (NEET) and AIIMS MBBS entrance examination. According to CRISIL, we are one of the largest players in the medical test preparatory space. We had a Student Count of 84,834, 93,080 and 117,457 students in our long-term classroom medical courses (including at Franchisee Centers) for FY2016, FY2017 and FY2018, respectively. Among the top 100 selections in 2018 NEET, we produced 53 selections from students in our classroom courses, distance and digital learning courses;

(ii) ***Aakash IIT-JEE***: Started in 2007, we now offer test preparatory courses for students in Class 11 and Class 12, and repeater courses for students who have passed Class 12, preparing for state engineering Common Entrance Tests (CETs) and for Joint Entrance Examinations (JEE) conducted at the state and central levels, including the JEE Main and Advanced. We had a Student Count of 31,479, 27,794 and 32,798 students in our long-term engineering courses (including at Franchisee Centers) for FY2016, FY2017 and FY2018, respectively. Among the top 1,000 selections in JEE Advanced in FY2018, we produced 37 selections from students in our classroom courses, distance and digital learning courses;

(iii) ***Aakash Foundations***: Started in 2009, we now offer test preparatory courses to students in Class 9 to Class 10 for subjects, being Science, Mathematics, English and Social Sciences. For Class 8 students, we only offer test preparatory courses via Aakash Live. In addition, we provide training to these students for central and state board examinations, and for junior competitive scholarship tests and merit tests, such as the Olympiads and National Talent Search Examination ("**NTSE**"). We had a Student Count of 25,899, 33,718 and 43,058 students in our foundation courses (including at Franchisee Centers) for FY2016, FY2017 and FY2018, respectively.

We believe in discovering and nurturing talent. Towards this end, we follow a 5-step admission process, consisting of (i) collecting data on prospective students through school seminars, residential area activities and advertisements, (ii) scholarship examinations, (iii) contacting prospective students and in-branch seminars, (iv) branch visits by prospective student and counselling and, (v) enrolment. We offer a number of scholarship tests, including the Admission Cum Scholarship Test ("**ACST**"), the Aakash National Talent Hunt Examination ("**ANTHE**") and, launched most recently, the Aakash Talent Quest ("**ATQ**"). We provide scholarships for qualifying students from these tests to enrol in our programs. These tests allow students to assess their performance based on their ranking on the merit list, and many students that take these tests subsequently enrol in our courses.

We have a National Academic Team, comprising around 73 faculty members, which monitors our academic services and student performance. This team is responsible for content generation, faculty selection and appraisal and faculty training, and ensuring standardized coaching methods and content across Aakash Centers. Our Chief Executive Officer & Whole-time Director, Mr. Aakash Chaudhry, heads our National Academic Team, and our three National Academic Directors oversee our medical, engineering and foundation faculties, respectively.

We started our first Franchisee Center in 1997 and had 67 Franchisee Centers as of March 31, 2018. Through our Franchisee model, which allows asset-light expansion, we have grown quickly across new regions such as East

India. We receive 25% to 36% of the fees, net of any concessions and refunds ("**Net Fees**"), collected from the students by our Franchisees, depending on the type of courses, stream and location of the Franchisee Centers.

Our revenue from operations for FY2016, 2017 and 2018 was ₹ 5,824.28 million, ₹ 7,224.28 million and ₹ 9,733.32 million, respectively. Our profit for the year as restated for FY2016, FY2017 and FY2018 were ₹ 758.74 million, ₹ 635.53 million and ₹ 1,601.84 million, respectively. Our profit margin (defined as profit for the year divided by revenue from operations) for FY2016, FY2017 and FY2018 was 13.03%, 8.80% and 16.46%, respectively. From FY2016 to FY2018, our revenue from operations and our profit for the year grew at a CAGR of 29.27% and 45.30%, respectively.

Significant Factors Affecting our Results of Operations

Student Count

Our revenue from operations primarily consists of course fees from students enrolled in our courses, which is directly driven by the number of students enrolled. We define our "**Student Count**" as the number of students who have enrolled for a particular course and paid at least one instalment of the tuition fee component for that course in addition to the admission fee and registration fee in that fiscal year or earlier fiscal and includes carry forward students (i.e. students who were enrolled in the previous year(s) and remained enrolled in the current fiscal year) and students who paid but subsequently dropped out. Factors that affect our Student Count include, among others, our reputation, our course fees, the number of students who performed well on key exams in prior years, our ability to improve students' academic performance, the quality of our faculty members and the number and location of our Aakash Centers.

The following table sets forth details of our Student Count for the periods indicated:

	FY2018			FY2017			FY2016			CAGR FY2016-FY2018 (%)	
	Owned Centers	Franchisee Centers	Total	Owned Centers	Franchisee Centers	Total	Owned Centers	Franchisee Centers	Total	Owned Centers	Franchisee Centers
Long-term Classroom Courses[1]											
Medical	69,880	47,577	117,457	52,345	40,735	93,080	49,915	34,919	84,834	18.32%	16.73%
Engineering	23,672	9,126	32,798	19,028	8,766	27,794	22,256	9,223	31,479	3.13%	(0.53)%
Foundation	31,494	11,564	43,058	25,029	8,689	33,718	19,253	6,646	25,899	27.90%	31.91%
Total	**125,046**	**68,267**	**193,313**	**96,402**	**58,190**	**154,592**	**91,424**	**50,788**	**142,212**	**16.95%**	**15.94%**
Other Courses											
Distance learning program	8,549	N/A	8,549	9,922	N/A	9,922	8,242	N/A	8,242	1.85%	N/A
Digital Courses[2]	7,701	N/A	7,701	6,260	N/A	6,260	3,208	N/A	3,208	54.94%	N/A
Short-term/crash courses	29,537	8,277	37,814	34,706	8,988	43,694	19,345	7,855	27,200	23.57%	2.65%

(1) Includes three-year, two-year, one-year and repeater courses.
(2) Includes Aakash Live and Aakash iTutor courses.

Fee structure

Our course fees directly affect our revenue from operations. We aim to charge course fees that are commensurate with the quality and the level of our test preparatory services, while considering the general income level of the relevant state where the course is offered and the course fees charged by our competitors. The fees that we charge our students include a variety of components such as a registration fee, admission fee, tuition fee, technology fee and exam fee, depending on the course offered.

We typically charge students based on the type of course they choose to enroll in, and we seek gradually to increase our course fees without compromising our student enrolment. We update course fees annually, depending on a variety of factors such as local competition, the variety of courses offered and utilization levels of our Aakash Centers. For Aakash Centers opening in a new city, in addition to considering the foregoing factors we also study local market conditions and seek to benchmark our course fees to the fees that our competitors charge in the same city. After the initial years of operation, our Aakash Centers are generally able to charge higher course fees than during their initial ramp-up period.

To attract students to enroll for our courses, we provide concessions on the course fees that we charge, provided on a student-by-student basis. As a result, the fees charged to each student enrolled in the same course may differ. We offer two types of concessions: discretionary and non-discretionary. At Aakash Centers, we provide a discretionary concession of typically up to 15% of the tuition fee component of the course fees. Such discretionary concessions are offered to encourage students to enroll, or to entice particularly promising students to our courses. Generally, discretionary concessions above 15% are subject to approval by our head office. We also offer non-discretionary concessions that depend on factors such as the identity of the student, family background, whether the student was previously an Aakash student, performance in scholarship tests and the examination grades of the student. Examples of these non-discretionary concessions include, among others, discounts for children of military personnel or, for our Engineering Courses, children of engineers. For the past two years, we have sought to reduce the amount of discretionary and non-discretionary concessions that we provide, which has helped to drive growth in our revenue from operations. However, concessions are a function of market dynamics and may vary from year to year, though we seek to keep concessions at a reasonable level.

The following table sets forth our average revenue per long-term student for our Owned Centers (defined as revenue from operations from the long-term classroom courses from Owned Centers divided by Student Count in the long-term classroom courses in Owned Centers, for the respective streams) for the periods indicated.

	FY2018	FY2017	FY2016	CAGR FY2016-FY2018 (%)
Long-term Classroom Courses				
Medical	73,133	66,059	57,458	12.82%
Engineering............................	63,970	61,110	52,272	10.62%
Foundation	25,049	20,591	17,815	18.58%

Among other factors, the fee charged for the test preparatory services is one of the important factors considered by students and parents while selecting a test preparatory provider. Due to significant competition in the test preparatory services industry, we face pressures on our fee structure. Certain of our competitors have used price reduction as a competitive strategy, especially when faced with a slowdown in new enrolments. Whilst we have not reduced our fees due to competitive pressures in the past, if we are required to reduce our fee structure to align with our competitors, our revenue from operations would be adversely impacted.

Brand recognition

We aim to establish ourselves as a provider of quality test preparatory services through investment in our brand and achieve a competitive position in India. Our "Aakash" brand has benefitted from, amongst other things, the experience and reputation of our marketing and advertising campaigns, our ability to introduce new courses and provide quality services to our students, and a track record of good academic performance by our students as demonstrated by the number of selections in major exams. We have increased our expenditure on publicity and advertisements in the last two years to increase our brand recognition, especially in connection with our newly opened Aakash Centers, for which we tend to have higher publicity and advertising expenditures in order to build a student base and market awareness for the centers. Accordingly, our publicity and advertising expense has increased from ₹ 742.72 million in FY2016 to ₹ 960.64 million in FY2018, as CAGR of 13.73%.

Additionally, although we have a long and established track record for our Medical courses, we are not as well known for our Engineering courses; accordingly, we have been increasing our marketing and advertising efforts to promote and increase our student enrolments in our engineering courses. Our brand recognition can vary across courses and geographies. For example, in North India we believe that we are relatively better known for our medical courses, whereas in South India we believe that we are considered as more of a general coaching brand.

Our brand equity has been instrumental in increasing the number of student enrolments over the years. Students and parents have a significant contribution to the success of our business and are critical to our ability to increase enrolments and revenue from operations, increase penetration of our offerings in existing markets and expansion into new markets. Our future success is dependent on continued investment in our brand. Any negative impact on our brand equity may result in a decrease in the number of student enrolments, which would have an adverse impact on our business and growth prospects.

Examination timings and patterns

Our student enrolments correlate strongly with the timing of the examinations, both board and entrance exams, as well as the publication date of these exam results. Parents of prospective students typically make decisions on which course to enroll their child in after the release of the examination results. Thus, during the years in which examination results are released early, our enrolments and revenue from operations are typically better as parents tend to make enrolment decisions earlier. Conversely, our enrolments and revenue from operations are negatively affected if the examination results are released later than expected. For example, due to leaks in the examination questions of NEET in FY2017, a second round of examinations was held, resulting in a delay in the release of the results, which negatively affected primarily enrolments for long-term Medical Courses in FY2017, though resulted in an increase in short-term course enrolments as students studied for the second round of examinations. Further, the Minister of Human Resource Development of the Government of India announced on July 7, 2018 that from 2019, the NEET and JEE Main examinations will be held twice a year instead of annually, and the tests will be conducted in a computer-based format. However, course fees for long-term courses tend to be considerably higher than for short-term courses, and hence a decrease in long-term course enrollments tends to outweigh a corresponding increase in short-term course enrollments.

The syllabi for the entrance examinations are updated periodically subject to the discretion of the central and state governments. Moreover, the patterns of examinations may be modified by reducing the time period of the examination or altering the nature of questions included in these examinations. In relation to competitive examinations, the formats and difficulty levels may also vary. In case of such alterations or revisions of examination patterns, the course materials or the teaching or testing methodologies, we may have to modify the structure of our courses. We incur expenditure on an ongoing basis to update our course materials and for the training of our faculty, and in the event of any significant changes to the examination patterns or syllabi, such expenditure may increase significantly.

Competition in Foundation, Medical and Engineering test preparatory services

The test preparatory services industry is highly fragmented and competitive. We not only compete with organized players but also a high percentage of unorganized players, such as individual tutors and small-scale institutes. The players in the unorganized sector offer their services at highly competitive rates and are well established in the local areas. For further details, see "*Our Business — Competition*" on page 149 of this Draft Red Herring Prospectus.

Relationships with Franchisees

The success of our business depends on the number of Franchisees we have in our network, and our relationships with Franchisees. Our revenue growth is driven by the expansion of our network, including not only our Owned Centers but also our Franchisee Centers, which depends on our ability to attract and retain Franchisees. Additionally, the financial performance of our Franchisees, their ability to attract students, their experience in operating test preparatory service centers, and other factors relating to the performance of our Franchisees also directly affects our financial results. Conversely, the success of our Franchisees depends on our brand recognition, our ability to leverage the scalability of our franchise business model, the quality of our services and products, as well as the ability of our centers and our Franchisees to respond to competition and achieve high student enrolments. The number of our Franchisee Centers has increased from 52 centers in FY2016 to 67 centers in FY2018, and our revenue from operations from Franchisee Centers has increased from ₹ 931.67 million in FY2016 to ₹ 1,443.71 million in FY2018, a CAGR of 24.48%.

We currently receive from 25% to 36% of the course fees received by our Franchisees, net of any concessions and refunds given by the Franchisees to students, depending on the type of stream (medical, engineering or foundation), course, and location of the Franchisees, among other factors. Our Franchisees are responsible for all costs and expenses incurred in the provision of their services, including the initial capital expenditures to open a center, as well as any marketing and advertising expenses. In addition, we receive a one-time franchise fee when we sign a franchise agreement with our Franchisees, as well as a franchise renewal fee when we renew the franchise agreement. See "*Our Business — Competitive Strengths — Scalable and efficient business model for a growing industry*" and "*Our Business — Franchise Arrangements*" on pages 133 and 146 of this Draft Red Herring Prospectus for further details regarding our Franchisees.

Availability of faculty members and other employees, and associated cost

Our sustained growth depends on the availability of, and our ability to attract and retain quality faculty members. Our ability to attract and retain quality faculty members on a long-term basis is critical in order to maintain a healthy student teacher ratio. We face significant competition in attracting and retaining faculty members who possess the skill sets that we seek. The attrition rate of faculty members in India is generally high due to low barriers to entry for new players and other socio-economic factors. As we grow our business operations, we require additional faculty members for our Aakash Centers. Any challenge in meeting the additional faculty member requirement, whether due to unavailability of qualified faculty or increased salary expectations, could result in increase in the cost for recruiting the faculty members, which can affect our margins.

In addition to our faculty members, we also employ a significant number of non-teaching staff in various corporate and support roles, such as IT teams, a digital business team, customer care staff, and other staff. We have expanded our non-teaching staff headcount significantly in recent years to support our continued growth and enhance the quality of our services. In particular, we increased our non-teaching staff from 1,579 as of March 31, 2016 to 2,008 as of March 31, 2017, which has contributed to an increase in employee benefits expenses.

The bulk of our employee benefit expenses are attributable to salaries, wages and bonus paid to our faculty members and other employees. To retain our employees who have desired skill sets and due to increased competition, we provide our faculty and other employees with annual salary increments, which increases our employee benefit expenses over time.

As of March 31, 2018, we have 1,969 faculty members at our Owned Centers, as well as 1,987 non-teaching employees.

Critical Accounting Estimates and Judgments

The preparation of our Restated Financial Information in conformity with Ind AS requires management to make certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities in the restated statement of assets and liabilities and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. We review estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgement, estimates and assumptions are required in particular for:

Determination of the estimated useful lives

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, and maintenance support.

Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plans is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long-term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

Discounting of long-term financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortized cost, interest is accrued using the effective interest method.

Fair valuation of employee share options

The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Key assumptions made with respect to expected volatility includes share price, expected dividends and discount rate, under this option pricing model.

Lease classification

All leasing arrangements are classified as operating/ finance lease based on the terms and conditions of the leasing arrangements at the inception of the lease period. Judgement is required with respect to classification of lease as operating or finance lease.

Taxation and legal disputes

Judgement is required to ascertain whether it is probable that an outflow of resources embodying economic benefits required to settle the taxation and legal disputes.

Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either (a) in the principal market for the asset or liability, or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to/ by the Company. All assets and liabilities for which fair value is measured or disclosed in the Restated Financial Information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Restated Financial Information on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, we have determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. We measure financial instruments, such as, investments, at fair value at each reporting date. Also, the fair value of financial instruments measured amortized cost is disclosed in our Restated Financial Information.

Description of Income Items

Our total income consists of revenue from operations and other income.

Revenue from operations

We generate revenue from operations primarily through our course fees from our Owned Centers and from Franchisee Centers in our Medical, Engineering and Foundation classroom courses, and the provision of other services including our distance learning program, Aakash Live, and Aakash iTutor, and other miscellaneous items such as examination fees and franchise fees when entering into or renewing franchise agreements. Our revenue from our course fees are net of any concessions provided to our students, as well as net of refunds given to students.

For our classroom courses (both long-term and short-term courses) and Aakash Live courses, we recognize revenue using the proportionate completion method, provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration. We assess the stage of completion based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (i.e., the percentage of completion method). For our distance learning program, we recognize revenue when the significant risks and rewards of ownership of the goods are transferred to the buyer, which happens when students buy the course materials. For Aakash iTutor where content is delivered on a tablet, we recognize revenue for sale of the tablet on a fair value basis immediately on delivery, and we recognize revenue for the balance of the fee on the percentage of completion method. For Aakash iTutor where content is delivered on a chip, we recognize revenue on the percentage of completion method. For examinations, we recognize revenue when the students take the examination. We recognize any fees received, but not yet recognized as revenue from operations, as “deferred revenue” as a liability in our balance sheet.

We recognize our proportionate share of revenue from our Franchisees on the same basis as for revenue from our Owned Centers.

The following table sets forth a breakdown of our revenue by channel for the periods indicated.

	FY2018 (restated)		FY2017 (restated)		FY2016 (pro forma)	
	(₹ million)	*% of Total Revenue from Operations*	*(₹ million)*	*% of Total Revenue from Operations*	*(₹ million)*	*% of Total Revenue from Operations*
Owned Centers						
Long-term courses						
Medical Courses	5,110.56	52.51%	3,457.84	47.86%	2,868.03	49.24%
Engineering Courses ...	1,514.29	15.56%	1,162.80	16.10%	1,163.36	19.97%
Foundation Courses	788.88	8.10%	515.37	7.13%	343.00	5.89%
Short-term courses...........	404.82	4.16%	515.18	7.13%	205.06	3.52%
Total Revenue from Owned Centers	**7,818.54**	**80.33%**	**5,651.19**	**78.22%**	**4,579.45**	**78.62%**
Franchisee Centers						
Medical Courses.............	1,040.82	10.69%	832.41	11.52%	656.92	11.28%
Engineering Courses	171.23	1.76%	165.80	2.29%	155.60	2.67%
Foundation Courses.........	77.57	0.80%	51.55	0.71%	30.90	0.53%
Miscellaneous(1)..............	154.09	1.58%	146.02	2.02	88.25	1.52%
Revenue from Franchisee Centers as per Restated Financial Information ...	**1,443.71**	**14.83%**	**1,195.77**	**16.55%**	**931.67**	**16.00%**
Other Services(2)............	**471.06**	**4.84%**	**377.32**	**5.23%**	**313.16**	**5.38%**
Revenue from Operations as per Restated Financial Information...................	**9,733.32**	**100.00%**	**7,224.28**	**100.00%**	**5,824.28**	**100.00%**

(1) Includes revenue from short-term courses, franchise fees, examination fees for examinations conducted by our Franchisees (including the ANTHE and ACST), and miscellaneous other charge collections.

(2) Includes revenue from our distance learning programs and digital courses (Aakash Live and Aakash iTutor), as well examination fees for examinations conducted by our Owned Centers (including the ANTHE and ACST), transport and miscellaneous other charge collections.

Other income

Our other income primarily consists of (a) dividend income from investments in mutual funds, (b) interest income from financial assets measured at amortized costs (primarily relating to fixed deposits), and (c) unwinding of discounts on security deposits.

	FY 2018 (restated)	FY 2017 (restated)	FY 2016 (pro forma)
		(₹ in million)	
Dividend income from investments in mutual funds	46.82	12.03	0.42
Interest income from financial assets measured at amortized costs	9.49	37.16	29.25
Unwinding of discount on security deposits......................	12.08	9.99	7.93
Others...	9.63	12.70	6.68
Total Other Income...	78.02	71.88	44.28

Description of Expenditure Items

Courseware and examination

Our courseware and examination expenses include (i) courseware printing charges, which relate to the printing of our course materials, books, marksheets, examination papers and other materials, and (ii) examination expenses, which relate to payment to the invigilators who monitor the exams, expenses for test papers, and other items.

Purchase of stock-in-trade

Our purchases of stock-in-trade primarily consist of purchases of tablets and micro SD cards, which we use in our classrooms and digital courses.

Changes in inventories of stock-in-trade

Our changes in inventories of stock-in-trade are the difference in opening and closing inventory levels of stock-in-trade, which primarily relate to tablets and micro SD cards.

Employee benefit expenses

We pay salaries, wages and bonus to our faculty members and our employees. In addition, as per the Employees Provident Funds and Miscellaneous Provision Act, 1952, our eligible employees are entitled to receive benefits under the provident fund and family pension fund. These contributions are made to the fund administered and managed by the Government of India. We recognize our contribution to the schemes as expense in the profit and loss account during the period in which the employee renders the related services.

We have a gratuity plan through the "Aakash Educational Services Limited Employee Group Gratuity Trust". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service, in line with the Payment of Gratuity Act, 1972. The same is payable to all eligible employees of the company at the time of retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972, whichever is earlier.

Finance costs

Our finance costs consist primarily of interest expense relating to the delay in payment of statutory dues, including taxes, as well as interest on amounts that we draw from time to time under our overdraft facility.

Depreciation and amortization expense

Our depreciation and amortization expense primarily arises from the depreciation charge on leasehold improvement, office equipment and computers and printers. The largest portion of our depreciation charge is on leasehold improvements, as most of our capital expenditure relates to building/major renovation of the infrastructure (including interiors) at our Owned Centers. Our amortization expense relates primarily to software and licenses.

Impairment on assets held for sale

We incurred impairment on assets held for sale in FY2017 relating to the sale of land, building and other assets of the premises situated at N-11, South Extension, Part I, New Delhi to Mr. J.C. Chaudhry, our Promoter and Chairman cum Managing Director. The sale was approved by shareholders in March 2017 and completed in April 2017, and accordingly the assets were classified as held for sale in our Restated Financial Information for FY2017. Our impairment charge arose as we sold the above-mentioned property at a lower price primarily due to weak conditions in the local property market. The sale price was determined based on an independent valuation report.

Other Expenses

Our other expenses primarily consist of rent, advertisement and publicity, security and housekeeping charges, power and fuel, and travel and conveyance costs.

The following table presents a breakdown of our other expenses for the periods indicated:

	FY 2018 (restated)	FY 2017 (restated)	FY 2016 (pro forma)
		(₹ in million)	
Rent	978.54	806.00	686.50
Advertisement and publicity	960.64	813.11	742.72
Power and fuel	173.50	145.57	124.48
Security and housekeeping charges	173.02	117.43	90.54
Legal and professional	124.00	71.66	53.74
Travel and conveyance	123.34	98.88	72.49
Others	451.59	395.51	240.11
Total Other Expenses	2,984.63	2,448.16	2,010.58

Rent

Rent constitutes a large part of our other expenses as we lease our corporate office and all but one of our Owned Centers.

Advertisement and publicity

We incur advertisement and publicity expenses in the course of our marketing efforts to promote our Aakash brand and our courses and/or services. These typically include online advertisements, newspaper advertisements (both local and national level), television advertisements and local advertisements such as banners, pamphlets, hoardings, brochures, roadshows, magazines and paper inserts.

Results of Operations

The following table sets certain data from our statement of profit and loss, in absolute terms and as a percentage of our total revenue, for the periods indicated:

	FY 2018 (restated)	FY 2017 (restated)	FY 2016 (pro forma)
		(₹ in million)	
Revenue from operations	9,733.32	7,224.28	5,824.28
Other income	78.02	71.88	44.28
Total Income	**9,811.34**	**7,296.16**	**5,868.56**
Expenses:			
Courseware and examination	344.92	281.32	232.23
Purchases of stock-in-trade	34.93	38.04	89.28
Changes in inventories of stock-in-trade	11.52	14.84	(39.19)
Employee benefit expenses	3,694.90	2,963.22	2,153.63
Finance costs	4.72	9.38	13.34
Depreciation and amortization expense	309.15	304.53	241.61
Impairment on assets held for sale	-	179.23	-
Other expenses	2,984.63	2,448.16	2,010.58
Total expenses	7,384.77	6,238.72	4,701.48
Profit before tax	**2,426.57**	**1,057.44**	**1,167.08**
Tax expense:			
Current tax	572.24	591.84	469.86
Deferred tax	252.49	(169.93)	(61.52)
Total tax expense	824.73	421.91	408.34
Profit for the year as restated	**1,601.84**	**635.53**	**758.74**

FY2018 compared to FY2017

Revenue from operations

Our revenue from operations increased by 34.73% to ₹ 9,733.32 million in FY2018 from ₹ 7,224.28 million in FY2017, led by an increase in revenue from operations mainly from Medical Courses at Owned Centers, and supported by growth across our and our Franchisees' other classroom courses, as well as from other sources.

Medical Courses

Our revenue from operations from self-operated Medical Long-Term Courses increased by 47.80% to ₹ 5,110.56 million in FY2018 from ₹ 3,457.84 million in FY2017. This increase resulted primarily from a 33.50% increase in the long-term Student Count in this segment to 69,880 students in FY2018 from 52,345 students in FY2017, which arose mainly due to the net addition of eight Owned Centers in FY2018 and the full-year impact of the net addition of 17 Owned Centers in FY2017, as well as the introduction of the NEET in May 2016, which helped to increased enrollments in FY2018. In addition, our average revenue per student in this segment increased by 10.71% from ₹ 66,059 to ₹ 73,133, driven primarily by annual escalations in our fees as well as a concerted effort to reduce concessions.

Our revenue from operations from Franchisees' Medical Long-Term Courses increased by 25.04% to ₹ 1,040.82 million in FY2018 from ₹ 832.41 million in FY2017. This increase resulted primarily from a 16.80% increase in the long-term Student Count in this segment from 40,735 students in FY2017 to 47,577 students in FY2018, which arose mainly due to the Franchisee Center added in FY2018 and the full-year impact of the net addition of 13 Franchisee Centers in FY2017, as well as the introduction of the NEET. Supporting the increase was an annual escalation in our fees as well as a concerted effort to reduce concessions.

Engineering Courses

Our revenue from operations from self-operated Engineering Long-Term Courses increased by 30.23% to ₹ 1,514.29 million in FY2018 from ₹ 1,162.80 million in FY2017. This increase resulted primarily from a 24.41% increase in the long-term Student Count in this segment to 23,672 students in FY2018 from 19,028 students in FY2017, which arose mainly due to the Owned Centers added in FY2018 and FY2017. In addition, our average revenue per student in this segment increased by 4.68% from ₹ 61,110 to ₹ 63,970, driven primarily by annual escalations in our fees as well as a concerted effort to reduce concessions.

Our revenue from operations from our Franchisees' Engineering Long-Term Courses increased by 3.28% to ₹ 171.23 million in FY2018 from ₹ 165.80 million in FY2017. This increase resulted primarily from a 4.11% increase in the long-term Student Count in this segment from 8,766 students in FY2017 to 9,126 students in FY2018, which arose mainly due to the Franchisee Centers added in FY2018 and FY2017. Revenue from operations increased more slowly than Student Count in this segment primarily due to a change in course mix, lower pricing at new Franchisee Centers, and the timing in which the courses have started at some Franchisee Centers.

Foundation Courses

Our revenue from operations from self-operated Foundation Long-Term Courses increased by 53.07% to ₹ 788.88 million in FY2018 from ₹ 515.37 million in FY2017. This increase resulted primarily from a 25.83% increase in the long-term Student Count in this segment to 31,494 students in FY2018 from 25,029 students in FY2017. A number of factors combined to drive the increase in our long-term Student Count in this segment, including: (i) the Owned Centers added in FY2018 and FY2017, (ii) the introduction of Class 10 board exams in FY2018, resulting in greater enrollments in long-term courses for Class 9 and Class 10, (iii) better exam results by our students, increasing our brand recognition, and (iv) our introduction of new course offerings, such as those to prepare for Olympiads and NTSEs. Our average revenue per student in this segment increased by 21.65% from ₹ 20,591 to ₹ 25,049, driven annual escalations in our fees and a concerted effort to reduce concessions, as well as a change in the proportion of Class 8, Class 9 and Class 10 courses, resulting in higher average revenue per student.

Our revenue from operations from our Franchisees' Foundation Long-Term Courses increased by 50.48% to ₹ 77.57 million in FY2018 from ₹ 51.55 million in FY2017. This increase resulted primarily from a 33.09% increase in our long-term Student Count in this segment to 11,564 students in FY2018 from 8,689 students in FY2017. The factors that drove the increase in our long-term Student Count in this segment were the same as those mentioned above for our Owned Centers. Supporting the increase was an increase in average revenue per student in this segment, partially driven by an increase in the revenue contribution percentage from our Franchisees.

Short-term Courses at Owned Centers

Our revenue from operations from short-term courses at Owned Centers decreased by 21.42% to ₹ 404.82 million in FY2018 from ₹ 515.18 million in FY2017. This decrease resulted primarily due to the high base of students in

FY2017, related primarily to the leak of the NEET examination questions in FY2017. The leakage of the NEET examination questions led to a second round of examinations being held in FY2017, and hence we offered additional short-term courses to prepare for the second round of NEET.

Miscellaneous revenue from operations from Franchisee Centers

Our miscellaneous revenue from operations from Franchisee Centers increased by 5.53% to ₹ 154.09 million in FY2018 from ₹ 146.02 million in FY2017. This increase resulted primarily due to increased revenue from franchisee fees, examination fees (including the ANTHE and ACST) and other miscellaneous charges. This increase was partially offset by a decrease in short-term course fees at Franchisee Centers, as short-term courses were held twice in FY2017 due to re-examination of the NEET.

Other services

Our revenue from operations from other services (including miscellaneous revenue from Franchisee Centers) increased by 24.85% to ₹ 471.06 million in FY2018 from ₹ 377.32 million in FY2017, primarily due to (i) an increase in revenue from operations from our digital programs (Aakash Live and Aakash iTutor) resulting from a 23.02% increase in Student Count, and (ii) an increase in examination fees due to higher enrolments for our ANTHE and ACST exams. However, partially offsetting these increases was a decrease in revenue from operations from our distance learning program, driven primarily by a decrease in our Student Count as students are generally transitioning more towards digital offerings.

Other Income

Other income increased by 8.54% to ₹ 78.02 million in FY2018 from ₹ 71.88 million in FY2017. This increase was primarily due to an increase in dividend income from investments in mutual funds from ₹ 12.03 million in FY2017 to ₹ 46.82 million in FY2018, which offset a decrease in interest income from financial assets measured at amortized cost as we shifted investments away from fixed deposits towards mutual funds to improve investment yield.

Expenses

Courseware and examination

Our courseware and examination expenses increased by 22.61% to ₹ 344.92 million in FY2018 from ₹ 281.32 million in FY2017, primarily due to (i) a 13.70% increase in courseware printing charges to ₹ 275.36 million in FY2018 from ₹ 242.19 million in FY2017, driven by increased Student Count in our courses, and (ii) a 77.76% increase in examination expenses to ₹ 69.56 million in FY2018 from ₹ 39.13 million in FY2017, driven by increased exam volumes.

Employee benefit expenses

Our employee benefit expenses increased by 24.69% to ₹ 3,694.90 million in FY2018 from ₹ 2,963.22 million in FY2017, primarily due to an increase in salaries, wages and bonus paid to our faculty members and employees, which increased by 24.39% to ₹ 3,601.65 million in FY2018 from ₹ 2,895.53 million in FY2017. This increase was primarily due to an increase in headcount in FY2018, and the full-year impact of increased headcount in FY2017, including the addition of non-teaching staff, such as management and senior teams and other support staff, to support our continued growth. We increased our total headcount to 4,045 employees as of March 31, 2018 from 3,758 employees as of March 31, 2017, arising mostly from the Owned Centers added in FY2018 and FY2017. In addition, we also gave our staff annual salary increments.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 1.52% to ₹ 309.15 million in FY2018 from ₹ 304.53 million in FY2017, primarily due to an increase in amortization of intangible assets from ₹ 16.19 million in FY2017 to ₹ 23.35 million in FY2018 relating to amortization of software and licenses.

Impairment on assets held for sale

We did not incur any impairment on assets held for sale in FY2018, whereas we incurred ₹ 179.23 million in FY2017. The impairment was incurred in FY2017 in relation to a one-off sale of land, building and other assets of the premises situated at N-11, South Extension, Part I, New Delhi to our Promoter and Chairman cum Managing Director.

Other Expenses

Our other expenses increased by 21.91% to ₹ 2,984.63 million in FY2018 from ₹ 2,448.16 million in FY2017, which was primarily a result of increases in rent, advertisement and publicity, security and housekeeping charges, legal and professional fees, travel and conveyance and other miscellaneous expenses, relating primarily to the Owned Centers added in FY2018 and FY2017.

Rent

Our rent expenses increased by 21.41% to ₹ 978.54 million in FY2018 from ₹ 806.00 million in FY2017, primarily due to the Owned Centers added in FY2018 and FY2017, as well as annual increments in our rental fees across our Owned Centers.

Advertisement and publicity

Our advertisement and publicity expenses increased by 18.14% to ₹ 960.64 million in FY2018 from ₹ 813.11 million in FY2017, primarily resulting from an increase in advertisements relating largely to the Owned centers added in FY2018 and FY2017. In addition, we have also increased our advertisement and publicity levels for our Engineering Courses, in order to help develop our brand recognition for these courses.

Security and housekeeping charges

Our security and housekeeping expenses increased by 47.35% to ₹ 173.02 million in FY2018 from ₹ 117.43 million in FY2017, primarily resulting from the Owned Centers added in FY2018 and FY2017, as well as an increase in minimum wages.

Legal and professional

Our legal and professional expenses increased by 73.06% to ₹ 124.00 million in FY2018 from ₹ 71.66 million in FY2017, primarily due to involving professionals for GST implementation, assurances and audits, fixed assets tagging, HR software implementation, and other similar matters.

Travel and conveyance

Our travel and conveyance expenses increased by 24.74% to ₹ 123.34 million in FY2018 from ₹ 98.88 million in FY2017, primarily due to increased travel for business purposes.

Profit before tax

Our profit before tax increased by 129.48% to ₹ 2,426.57 million in FY2018 from ₹ 1,057.44 million in FY2017, primarily due to the foregoing. Our profit before tax margin (calculated as profit before tax divided by total income) improved from 14.49% in FY2017 to 24.73% in FY2018, as revenue growth outpaced increases in key expense items such as employee benefits expense, rent and advertising and publicity, and we did not have any impairment charge in FY2018 as we did in FY2017.

Tax expense

Our tax expenses increased by 95.48% to ₹ 824.73 million in FY2018 from ₹ 421.91 million in FY2017, primarily due to a 129.48% increase in our profit before tax from ₹ 1,057.44 million in FY 2017 to ₹ 2,426.57 million in FY 2018. Our effective tax rate (defined as tax expense divided by profit before tax) decreased to 33.99% in FY2018 from 39.90% in FY2017, primarily due to expense items that arose in FY2017 that were disallowed under the Income Tax Act, 1961, including our impairment on non-current assets held for sale.

Profit for the year

Primarily for the reasons stated above, our profit for the year increased by 152.05% to ₹ 1,601.84 million in FY2018 as compared to ₹ 635.53 million in FY2017.

FY2017 compared to FY2016

Revenue from operations

Our revenue from operations increased by 24.04% to ₹ 7,224.28 million in FY2017 from ₹ 5,824.28 million in FY2016, led by an increase in revenue from operations from Medical Courses at Owned Centers, and supported by growth across our and our Franchisees' other classroom courses, as well as digital courses.

Medical Courses

Our revenue from operations from self-operated Medical Long-Term Courses increased by 20.56% to ₹ 3,457.84 million in FY2017 from ₹ 2,868.03 million in FY2016. This increase resulted primarily from an increase in our average revenue per student in this segment, which increased by 14.97% from ₹ 57,458 to ₹ 66,059, driven primarily by annual escalations in our fees as well as a concerted effort to reduce concessions. In addition, we also had a 4.87% increase in the long-term Student Count in our Owned Centers from 49,915 students in FY2016 to 52,345 students in FY2017, which arose mainly due to the net addition of 17 Owned Centers in FY2017 and the full-year impact of the net addition of 9 Owned Centers in FY2016.

Our revenue from operations from Franchisees' Medical Long-Term Courses increased by 26.71% to ₹ 832.41 million in FY2017 from ₹ 656.92 million in FY2016. This increase resulted primarily from a 16.66% increase in the long-term Student Count in this segment from 34,919 students in FY2016 to 40,735 students in FY2017, which arose mainly due to the net addition of 13 Franchisee Centers in FY2017 and the full-year impact of the net addition of 11 Franchisee Centers in FY2016. Supporting the increase was an annual escalation in our fees as well as a concerted effort to reduce concessions.

Engineering Courses

Our revenue from operations from self-operated Engineering Long-Term Courses decreased marginally to ₹ 1,162.80 million in FY2017 from ₹ 1,163.36 million in FY2016. This decrease resulted primarily from a 14.50% decrease in long-term Student Count in this segment, from 22,256 students in FY2016 to 19,028 students in FY2017, resulting largely from our students' exam results in this segment not being as strong as expected in FY2016, leading to lower enrollments in FY2017. Our long-term Student Count in this segment decreased notwithstanding the Owned Centers added in FY2017 and FY2016. However, this decrease was mostly offset by a 16.91% increase in average revenue per student in this segment from ₹ 52,272 to ₹ 61,110, driven primarily by annual escalations in our fees as well as a concerted effort to reduce concessions.

Our revenue from operations from our Franchisees' Engineering Long-Term Courses increased by 6.55% to ₹ 165.80 million in FY2017 from ₹ 155.60 million in FY2016. This increase resulted primarily from annual escalations in our fees as well as a concerted effort to reduce concessions. However, this increase was partially offset by a 4.96% decrease in long-term Student Count in this segment, from 9,223 in FY2016 to 8,766 in FY2017, resulting largely from our students' exam results in this segment not being as strong as expected in FY2016.

Foundation Courses

Our revenue from operations from self-operated Foundation Long-Term Courses increased by 50.26% to ₹ 515.37 million in FY2017 from ₹ 343.00 million in FY2016. This increase resulted primarily from a 30.00% increase in long-term Student Count in this segment to 25,029 students in FY2017 from 19,253 students in FY2016, driven primarily by the Owned Centers added in FY2017 and FY2016. We had particularly strong growth in our Student Count in this segment as we focused especially on our Foundation segment in FY2017, such as by opening

Foundation-specific Owned Centers. In addition, our average revenue per student in this segment increased by 15.58% from ₹ 17,815 to ₹ 20,591, driven primarily by annual escalations in our fees.

Our revenue from operations from our Franchisees' Foundation Long-Term Courses increased by 66.81% to ₹ 51.55 million in FY2017 from ₹ 30.90 million in FY2016. This increase resulted primarily from a 30.74% increase in long-term Student Count in this segment to 8,689 students in FY2017 from 6,646 students in FY2016, driven by the Franchisee Centers added in FY2017 and FY2016. Supporting the increase was an annual escalation in our fees.

Short-term Courses at Owned Centers

Our revenue from operations from short-term courses at Owned Centers increased by 151.23% to ₹ 515.18 million in FY2017 from ₹ 205.06 million in FY2016. This increase resulted primarily from an increase in Student Count in this segment, related primarily to the leak of the NEET examination questions in FY2017, which led to a second round of examinations being held in FY2017, and hence we offered additional short-term courses to prepare for the second round of NEET. We also had an increased Student Count in this segment arising from our general growth, including the Owned Centers added in FY2017 and FY2016.

Miscellaneous revenue from operations from Franchisee Centers

Our miscellaneous revenue from operations from Franchisee Centers increased by 65.46% to ₹ 146.02 million in FY2017 from ₹ 88.25 million in FY2016. This increase resulted primarily due to an increase in short-term course fees at our Franchisee Centers, as short-term courses were held twice in FY2017 due to the re-examination of the NEET.

Other services

Our revenue from operations from other services increased by 20.49% to ₹ 377.32 million in FY2017 from ₹ 313.15 million in FY2016, primarily due to an increase in revenue from operations from our digital courses due to increased Student Count.

Other Income

Other income increased by 62.33% to ₹ 71.88 million in FY2017 from ₹ 44.28 million in FY2016, primarily because of an increase in dividend income from investments in mutual fund from ₹ 0.42 million in FY2016 to ₹ 12.03 million in FY2017 due to our treasury operations to enhance yield, and an increase in interest income from financial assets measured at amortized cost from ₹ 29.25 million in FY2016 to ₹ 37.16 million in FY2017 due to higher deposit volumes.

Expenses

Courseware and examination

Our courseware and examination expenses increased by 21.14% to ₹ 281.32 million in FY2017 from ₹ 232.23 million in FY2016, primarily due to an increase in courseware printing charges by 21.81% to ₹ 242.19 million in FY2017 from ₹ 198.83 million in FY2016, driven by increased Student Count in our courses.

Employee benefit expenses

Our employee benefit expenses increased by 37.59% to ₹ 2,963.22 million in FY2017 from ₹ 2,153.63 million in FY2016, primarily due to an increase in salaries, wages and bonus expenses relating to our faculty members and employees, which increased by 37.64% to ₹ 2,895.53 million in FY2017 from ₹ 2,103.67 million in FY2016. This increase was primarily due to an increase in headcount from 2,905 as of March 31, 2016 to 3,758 as of March 31, 2017, arising mostly from the Owned Centers added in FY2017 and FY2016, as well as the addition of non-teaching staff in FY2017 to support our continued growth. In addition, we also gave our staff annual salary increments.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 26.04% to ₹ 304.53 million in FY2017 from ₹ 241.61 million in FY2016, primarily due to an increase in the depreciation of leasehold improvements, computer and printers and office equipment as more was spent on capital expenditure in the last few years on opening of new Owned Centers, as well as the movement to new corporate office and winding down of our old corporate office.

Impairment on non-current assets held for sale

We incurred an impairment of ₹ 179.23 million in FY2017 in relation to a one-off sale of land, building and other assets of the premises situated at N-11, South Extension, Part I, New Delhi to our Promoter and Chairman cum Managing Director.

Other Expenses

Our other expenses increased by 21.76% to ₹ 2,448.16 million in FY2017 from ₹ 2,010.58 million in FY2016, which was primarily the result of increases in rent, advertisement and publicity and miscellaneous other expenses, relating primarily to the Owned Centers added in FY2017 and FY2016.

<u>Rent</u>

Our rent expenses increased by 17.41% to ₹ 806.00 million in FY2017 from ₹ 686.50 million in FY2016, primarily due to the Owned Centers added in FY2017 and FY2016, as well as annual increments in our rental payouts across our Owned Centers.

<u>Advertisement and publicity</u>

Our advertisement and publicity expenses increased by 9.48% to ₹ 813.11 million in FY2017 from ₹ 742.72 million in FY2016, primarily due to an increase in advertisements relating largely to the Owned Centers added in FY2017 and FY2016.

Profit before tax

Our profit before tax decreased by 9.39% to ₹ 1,057.44 million in FY2017 from ₹ 1,167.08 million in FY2016, primarily due to the foregoing. Our profit before tax margin (calculated as profit before tax divided by total income) declined from 19.89% in FY2016 to 14.49% in FY2017, primarily due to the increase in our employee benefits expense, which increased from 36.70% of total income in FY2016 to 40.61% of total income in FY2017, as well as the impairment charge on the sale of premises.

Tax expense

Our tax expenses increased by 3.32% to ₹ 421.91 million in FY2017 from ₹ 408.34 million in FY2016. Our effective tax rate (defined as tax expense divided by profit before tax) increased to 39.90% in FY2017 from 34.99% in FY2016, primarily due to expense items that arose in FY2017 that were disallowed under the Income Tax Act, including our impairment on non-current assets held for sale.

Profit for the year

Primarily for the reasons stated above, our profit for the year decreased by 16.24% to ₹ 635.53 million in FY2017 as compared to ₹ 758.74 million in FY2016.

Liquidity and Capital Resources

Cash in the form of cash at banks and on hand and short-term deposits with an original maturity of three months or less, together represents our cash and cash equivalents. To increase yield, we generally invest our excess cash in products such as mutual funds and fixed deposits, with a focus on Indian government and/or investment grade corporate bonds, which may include debt mutual funds focused on such bonds (even if they hold other products, such as equities or non-investment grade bonds).

The following table sets forth our consolidated cash flows for FY2018, FY2017 and FY2016:

	FY2018 (restated)	FY2017 (restated)	FY2016 (pro forma)
Net cash flow from operating activities........................	2,345.19	1,874.38	1,077.89
Net cash used in investing activities............................	(1,031.41)	(465.12)	(281.37)
Net cash used in financing activities	(1,205.11)	(1,351.97)	(714.53)
Net increase/ (decrease) in cash and cash equivalents ..	108.67	57.29	81.99

Cash Flows from Operating Activities

FY2018

Net cash flow from our operating activities was ₹ 2,345.19 million for FY2018. Our profit before tax was ₹ 2,426.57 million, which was adjusted for non-cash and other items in a net amount of ₹ 282.49 million, resulting in an operating profit before working capital changes of ₹ 2,709.06 million.

The following key adjustments were made to operating profit before working capital changes to arrive at cash flow from operating activities:

- an increase in other liabilities of ₹ 355.87 million, primarily relating to an increase in deferred revenue due to our higher Student Count; and
- an increase in trade payables of ₹ 162.95 million, primarily relating to the expansion of our business including the opening of new Owned Centers.

Our cash generated from operations was ₹ 3,177.86 million, and we paid net direct taxes of ₹ 832.67 million, resulting in net cash flow from operating activities of ₹ 2,345.19 million for FY2018.

FY2017

Net cash flow from our operating activities was ₹ 1,874.38 million in FY2017. Our profit before tax was ₹ 1,057.44 million, which was adjusted for non-cash and other items in a net amount of ₹ 463.42 million, resulting in an operating profit before working capital changes of ₹ 1,520.86 million.

The following key adjustment was made to operating profit before working capital changes to arrive at cash flow from operating activities:

- an increase in other liabilities of ₹ 770.05 million, primarily relating to an increase in deferred revenue due to our higher Student Count.

Our cash generated from operations was ₹ 2,555.82 million, and we paid net direct taxes of ₹ 681.44 million, resulting in net cash flow from operating activities of ₹ 1,874.38 million for FY2017.

FY2016

Net cash flow from our operating activities was ₹ 1,077.89 million in FY2016. Our profit before tax was ₹ 1,167.08 million, which was adjusted for non-cash and other items in a net amount of ₹ 230.77 million, resulting in an operating profit before working capital changes of ₹ 1,397.85 million.

The following key adjustment was made to operating profit before working capital changes to arrive at cash flow from operating activities:

- an increase in other liabilities of ₹ 363.51 million, primarily relating to an increase in deferred revenue due to our higher Student Count.

Our cash generated from operations was ₹ 1,548.05 million, and we paid net direct taxes of ₹ 470.16 million, resulting in net cash flow from operating activities of ₹ 1,077.89 million for FY2017.

Cash used in Investing Activities

FY2018

Net cash used in investing activities was ₹ 1,031.41 million during FY2018, which primarily related to (i) our treasury operations through which we had a net investment of ₹ 1,301.41 million of excess cash (defined as payments for purchase of securities plus payments for fixed deposits, minus proceeds from sale of investments), and (ii) payments of ₹ 230.48 million for property, plant and equipment, intangibles and capital work-in-progress. Our treasury operations primarily involved investments in mutual funds and fixed deposits. Partially offsetting these investments were ₹ 445.52 million in proceeds from the sale the property, plant and equipment and intangible assets, which related primarily to the sale of property situated at N-11, South Extension, Part I, New Delhi to our Promoter cum Chairman cum Managing Director.

FY2017

Net cash used in investing activities was ₹ 465.12 million during FY2017, which primarily related to (i) payments of ₹ 454.07 million for property, plant and equipment, intangibles and capital work-in-progress, and (ii) our treasury operations, through which we had a net investment of ₹ 70.78 million of excess cash (defined as payments for purchase of securities plus payments for fixed deposits, minus proceeds from sale of investments). Our treasury operations primarily involved investments in mutual funds and fixed deposits.

FY2016

Net cash used in investing activities was ₹ 281.37 million during FY2016, which primarily consisted of payments of ₹ 309.30 million for property, plant and equipment, intangibles and capital work-in-progress.

Cash used in Financing Activities

FY2018

Net cash used in financing activities was ₹ 1,205.11 million during FY2018, which primarily consisted of dividend payments of ₹ 1,343.79 million, and payment of dividend distribution tax of ₹ 273.56 million. Partially offsetting these payments was a net increase of ₹ 14.62 million in our securities premium from the issue of shares pursuant to the exercise of options granted under the Aakash ESOP Scheme on August 10, 2017, and the ₹ 399.23 million rights issue on March 29, 2018.

FY2017

Net cash used in financing activities was ₹ 1,351.97 million during FY2017, which primarily consisted of dividend payments of ₹ 1,037.55 million, and payment of dividend distribution tax of ₹ 299.24 million.

FY2016

Net cash used in financing activities was ₹ 714.53 million during FY2016, which primarily consisted of dividend payments of ₹ 594.19 million, payment of dividend distribution tax of ₹ 120.97 million, and a repayment of ₹ 10.05 million in borrowings.

Borrowings

As at March 31, 2018, we do not have any borrowings. However, we have an overdraft facility of ₹ 300 million available, which was entirely undrawn as at March 31, 2018. For further details, please refer to "*Financial Indebtedness*" on page 275 of this Draft Red Herring Prospectus.

Contractual Obligations and Commercial Commitments

The following table summarizes our contractual obligations and commitments as at March 31, 2018:

	Payment due by period		
	< 1 year	**1 to 5 years**	**Amount as per Restated Financial Statements**
		(₹ in million)	
Borrowings	-	-	-
Trade payables	326.10	-	326.10
Non-cancellable operating leases	185.98	158.38	344.36
Rental expenses relating to non-cancellable operating leases	185.00	-	185.00
Capital commitments	16.67	-	16.67
Other financial liabilities	463.63	7.84	471.47
Total	1,177.38	166.22	**1,343.60**

Capital Expenditure

Historical capital expenditure

We have not incurred any significant capital expenditure in the last three Fiscal Years.

Planned capital expenditure

In FY2019, we expect to incur planned capital expenditure of approximately ₹ 550 million. The expenditure will relate to the opening of new Owned Centers, purchasing property, maintaining and upgrading our IT infrastructure, and other major renovations at existing Owned Centers. Our actual capital expenditures may differ from this amount due to various factors, including changes in our business plan, our financial performance, market conditions and changes in government regulations, as well as the factors described in "*Risk Factors*" beginning on page 15.

Contingent Liabilities

Our contingent liabilities as at March 31, 2018 included the following:

Particulars	**March 31, 2018**
	(₹ in million)
Claims against the Company not acknowledged as debts	
Service tax matters (excluding interest and penalty)	812.65
Total	**812.65**

In respect of the service tax matters above, the amount represents the demands that we have received under the respective demand/show cause notices, wherever applicable, from service tax authorities. These contingent liabilities mainly relate to show cause notice on levy of service tax on scholarships/concessions to students for FY2013 to FY2016, However, from FY2008 to FY2012, the matter relating to levy of service tax on scholarships/concessions to students was decided by CESTAT in our favor.

We are also a party to various legal proceedings in the normal course of business and do not expect the outcome of these proceedings to have any adverse effect on the financial statements and hence, no provision has been set-up against such proceedings.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Significant Post-Balance Sheet Events

Except as disclosed in this Draft Red Herring Prospectus, including but not limited to (i) the bonus issue of equity shares on May 21, 2018, (ii) the sub-division of equity shares on June 18, 2018, (iii) the new lease arrangements entered into with Mr. J.C. Chaudhry, our Promoter, since April 2018, and (iv) the changes in examination patterns, we are not aware of any circumstances that have arisen since March 31, 2018, that materially and adversely affect, or are likely to affect, our operations or profitability, the value of our assets, or our ability to pay our liabilities within the next 12 months. For details, please refer to "*Capital Structure*", "*Our Promoters and Promoter Group – Payment of Benefits to our Promoters or Promoter Group – Lease Arrangements with Promoters*", and "*Our Business – Strong digital learning offerings leveraging on technology to expand our target audience and enhance quality of offerings*" on pages 66, 178 and 132.

Quantitative and Qualitative Disclosure about Market Risk

We are, during the normal course of business, exposed to various types of financial risks, including credit risk and interest rate risk.

Credit Risk

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Our credit risk arises primarily on our investments and deposits with banks and financial institutions (including our mutual fund investments), security deposits placed with our related parties to secure payment under our leases of their premises, cash and cash equivalents and credit exposures to customers including outstanding trade receivables (including dues from Franchises).

We are exposed to credit risk from our students, primarily for course fees. We typically have a grace period of 30 days with our students enrolled in our long-term courses, however we generally try to take payments from students on due dates or take post-dated cheques at the time of enrolment in order to mitigate our credit risk. For students enrolled in our short-term courses, we have a credit term of nil days, which we achieve through requiring up-front payment at or before the start of the course. Further, we have designed our fee structure in a way that our fees for respective courses/services are generally received in advance. As a result, credit risk from trade receivables is minimal. However, if our students do not pay us promptly, or at all, we may have to make provisions for or write off such amounts. As at March 31, 2018, we had provided ₹ 11.61 million for doubtful debts.

We manage credit risk on our cash and cash equivalents and bank deposits by generally investing in deposits with bank with high credit ratings assigned by domestic credit rating agencies, and we manage credit risk on our mutual funds by investing in liquid mutual funds.

For further details regarding our exposure to credit risk, see Note 32 to the Restated Financial Information included in this Draft Red Herring Prospectus.

Interest Rate Risk

We currently only have fixed rate overdrafts and are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. However, as we invest our excess cash in bond mutual funds and fixed deposits, our investments in the bond mutual funds may be negatively affected should there be an increase in the interest rates.

Known Trends or Uncertainties

In addition to the other factors and trends discussed in this section, we also expect that the global financial cycles will have a material impact on our financial condition and results of operations, as it impacts the strength of the global economy, and consequently demand for our services.

Except as described in this section and "*Risk Factors*", to our knowledge, there are no trends or uncertainties that have had, or are expected to have, a material impact on our business or results of operation.

Unusual or Infrequent Events or Transactions

Other than as described in this section and the sections of this Draft Red Herring Prospectus entitled "*Our Business*", "*Risk Factors*" and "*History and Certain Corporate Matters — Summary of Material Agreements*" on pages 129, 15 and 159 there have been no events or transactions which may be described as "unusual" or "infrequent".

Significant economic changes that materially affected or are likely to affect revenue from operations

Other than as described in this section and the sections of this Draft Red Herring Prospectus entitled "*Our Business*", "*Risk Factors*" and "*Industry Overview*" on pages 129, 15 and 92, there have been no significant economic changes that materially affected or are likely to affect income from continuing operations.

Material Increases in Net Revenues and Sales

Material increases in our net revenues and sales are primarily due to the reasons described in *" – Results of Operations*" above on page 286.

Future Relationships between Costs and Income

Other than as described in this section and the sections of this Draft Red Herring Prospectus entitled "*Our Business*" and "*Risk Factors*" on pages 129 and 15, respectively, there are no known factors which will have a material adverse impact on our operations or finances.

New Product or Business Segments

Other than as described in the section of this Draft Red Herring Prospectus entitled "*Our Business*" on page 129, there are no new products or business segments in which we operate.

Competitive Conditions

For a description of the competitive conditions in which we operate, see "*Our Business — Competition*" and "*Industry Overview*" on pages 149 and 92, respectively, of this Draft Red Herring Prospectus.

Suppliers or Customer Concentration

Other than as described in "*Business—Our Students*" and the discussion of our credit risk in "*Credit Risk"* above, we do not have any material dependence on a single or a few suppliers or customers.

Seasonality

Our business and revenues fluctuate based on the academic cycle of our courses and timelines of the entrance examinations, which are cyclical in nature and dependent on the dates of the board/entrance examinations as well as the release of the examination results. Depending on the timing of examinations and examination results, our Long-Term Courses generally commence in phases starting in April, with repeater courses (which represent a significant portion of our revenue) commencing in phases starting in May. Similarly, our courses generally end in phases in the fourth quarter, depending on the timing of examinations. For our classroom courses (both Long-Term Courses and short-term courses) and Aakash Live courses, we recognize revenue over the duration of the course using the proportionate completion method. Accordingly, we typically recognize higher revenues in the second and third quarters of the financial year, as our courses run fully for those quarters and consequently full revenue is recognized for those quarters. Conversely, because our courses generally run for only part of the first and fourth quarters, we typically recognize lower revenues in those quarters. In terms of our expenses, many of them are fixed in nature and we incur them throughout the year, though some are concentrated or increase in the first quarter, including salary increments for faculty, advertising and publicity expenses to recruit students for courses in the new academic year, and expenses for new centers that have opened but that are not yet conducting courses. As our revenue and expenses can fluctuate quarter-to-quarter, this may result in our Company being more profitable in some quarters, generally the second and third quarters, and less profitable or even loss-making in the other quarters.

Changes in revenue may vary between the same quarter in different years for various reasons, including due to differences arising from changes in dates, patterns or delays of any examinations or counselling schedules. For instance, the change introduced by way of NEET and JEE Main examinations being conducted twice annually may impact any seasonal trends in our financial position and results of operation. Accordingly, any comparison of quarterly growth of our Company over successive financial years may not accurately reflect our financial position and results of operation.

Recent accounting pronouncements

Ind AS 115 – Revenue from contracts with customers

On March 28, 2018, the MCA notified Ind AS 115. Ind AS 115, Revenue from Contracts with Customers, deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- retrospective approach – under this approach, the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Estimates and Errors; or

- cumulative catch-up approach – retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application.

Pursuant to adoption of Ind AS 115, with effect from April 1, 2018, we are of the view that the accounting policy for certain streams of revenue and related expenses may undergo a change primarily on account of certain customer acquisition costs for acquiring customers such as payment to schools, which when incurred are recorded as advertisement and publicity expenses, will now be capitalized as cost of obtaining customers which will be amortized over the period of churn of customers. Further, non-refundable fees received from students, who have subsequently left, was credited to revenue when there exists reasonable certainty that the student will not join back the course, will now under Ind AS required to be anticipated and expected value to be recognized from inception. Also, there are certain customer inducement costs for acquiring customers in the nature of cash awards, which when incurred are recorded as advertisement and publicity expenses will now be recorded as a reduction of revenue.

We have decided to adopt this standard by using the cumulative catch-up approach as defined under the standard and accordingly, comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. We do not expect the impact of the adoption of the new standard to be material on our retained earnings and to our net income.

For further details regarding Ind AS 115, see our Restated Financial Information included elsewhere in this Draft Red Herring Prospectus.

Appendix B to Ind AS 21 – Foreign currency transactions and advance consideration

On 28 March 2018, the MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration, which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment came into force from April 1, 2018. We have evaluated the effect of this on our Restated Financial Information and are of the view that the impact is not material.

Differences between Revenue Recognition under Ind AS and Previous GAAP

Our financial information in respect of the years ended March 31, 2018, and March 31, 2017 being the comparative period for the year ended March 31, 2018, are prepared in accordance with Indian Accounting Standards (Ind AS), and for the year ended March 31, 2016 have been translated into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted by our Company on its first-time adoption of Ind AS as on the transition date.

Among other changes between the Previous GAAP and Ind AS, our method of revenue recognition has changed. In particular, under Previous GAAP we recognized registration fees at the time of receipt and admission fees at the time of commencement of the course or receipt of the fees, whichever is later. In comparison, under Ind AS we have deferred the revenue for some elements of our transactions and now recognize them over the course period, such as (i) revenue earned from Owned Centers, including admission fees and registration fees in relation to the course; (ii) Franchisee revenue, which includes the share of course fees; (iii) Aakash Live tuition fees; and (iv) Aakash iTutor revenue from sale of online learning material. Further, we now recognize Franchisee fees over the contractual period of the relevant Franchisee Agreement.

For a reconciliation of our profit and loss under Previous GAAP and under Ind AS, see Note 41 to the Restated Financial Information included in this Draft Red Herring Prospectus.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no (i) outstanding criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) outstanding direct and indirect tax claims and (iv) material outstanding civil litigation, in each case, involving our Company, our Promoters, our Group Companies and our Directors.

Pursuant to the Board resolution dated June 20, 2018, for the purposes of disclosure in the Offer documents, all outstanding litigation involving our Company, our Promoters, Group Companies, or Directors, involving a claim amount exceeding 3% of the profit after tax of our Company as per the latest financial statements for the Fiscal ended March 31, 2018 (i.e. the last completed financial year included in this Draft Red Herring Prospectus), shall be considered material. However, in relation to outstanding litigation where the monetary liability is not quantifiable, such litigation shall be considered material in the event that the outcome of such litigation would have a material adverse effect on the business, prospects, operations, financial position or reputation of our Company. It is clarified that such materiality policy has been framed for the purposes of disclosures in the Offer documents and should not be applied for any other purpose.

I. *Litigation involving our Company*

Criminal proceedings by our Company

1. Our Company has reported to the police authorities an instance of cheating, theft, criminal misappropriation, *inter alia*, by Dharmendra Sharma, our ex-employee, of confidential data including study material and test papers from our Owned Center located in Jodhpur, pursuant to which an FIR (FIR No. 0113 dated April 6, 2018) has been registered against such person at the Ratanada Police Station, Jodhpur. This matter is currently pending.

2. Our Company has filed a criminal complaint (Complaint No. 6134/2018 dated March 5, 2018) before the Chief Metropolitan Magistrate, Tis Hazari Court, New Delhi against Mohd. Zakir, our ex-employee, for alleged violation of various provisions of the IPC including cheating, forgery, theft, criminal misappropriation of certain confidential data of our Company including study material, employee data and personal data of students. This matter is currently pending.

3. Our Company has filed a criminal complaint (Complaint No. 9531/2018 dated April 26, 2018) before the Chief Metropolitan Magistrate, Patiala House Court, New Delhi against Uma Kant Singh, Pramod Kumar Pandey and Pradyumn Kumar Pandey, our ex-employees for alleged violation of various provisions of the IPC including cheating, forgery, theft, criminal misappropriation of certain confidential data of our Company including study material, employee data and personal data of students. This matter is currently pending.

4. Our Company has reported to the police authorities an instance of fraudulent embezzlement by Tarun Sharma and Nanda Kumar, our ex-employees, of cash collected from students towards coaching fee at our Owned Center located in Coimbatore (during Fiscal 2018) amounting to ₹5,079,388, pursuant to which an FIR (FIR No. 54 dated August 1, 2017) has been registered against such persons at the Coimbatore CCB Police Station). This matter is currently pending.

5. Our Company has reported to the police authorities one instance of fraudulent embezzlement by Arshad Khan, our ex-employee, of cash collected from students towards coaching fee at our Owned Center located in Allahabad (during Fiscal 2015) amounting to ₹1,038,100, pursuant to which an FIR (FIR No. 107 dated February 24, 2016) has been registered against such persons at the Police Station Civil Lines, Allahabad). This matter is currently pending.

6. Our Company has filed four complaints under Section 138 of the Negotiable Instruments Act, 1881 against certain ex-faculty members and an ex-employee of our Company alleging that such persons have abandoned their employment with our Company in breach of the terms of their

employment contracts and certain cheques issued by such persons involving an aggregate amount of ₹1,047,262 for payment of liquidated damages to our Company have been dishonored. These matters are currently pending.

Actions by statutory/regulatory authorities involving our Company

1. Our Company has received 20 notices, involving an aggregate amount of approximately ₹1,101,225 out of which 16 notices have also been addressed to Mr. J.C. Chaudhry, our Chairman cum Managing Director, from the labor authorities in relation to alleged non-compliance with the ESI Act and related matters, such as non-payment of statutory contributions, recovery of interest or damages on account of delayed payment of statutory contributions, instructions to submit registers, returns, other documents or information or to obtain registration/sub-codes with respect to certain branches of our Company. Our Company has submitted replies to the labor authorities in connection with such notices and where appropriate, made the requisite payments of statutory contributions, interest or damages, submitted the requested information or documents or appropriate clarifications and obtained registration/sub-code for certain branches with respect to which the ESI Act is applicable. Our Company has not received further follow-up communication from the labor authorities in connection with such notices.

2. Our Company has received four notices, out of which one notice has also been addressed to Mr. J.C. Chaudhry, our Chairman cum Managing Director, from the municipal authorities and the relevant commercial tax officers, in relation to alleged non-compliance under state-specific laws relating to professional tax and making records available in relation to payment of professional tax including in relation to seeking registration and payment of professional tax. Our Company has submitted replies together with payment challans or other requested information or documents, where appropriate. Our Company has not received further follow-up communication from the municipal authorities in connection with such notices.

3. Our Company has received a notice dated May 24, 2017 from the Employees' Provident Fund Organization (EPFO), Hubli requiring our Company to obtain registration under the EPF Act with respect to our Company's branch at Hubli. Our Company has submitted a reply dated June 6, 2017 stating that our Company is already registered under the EPF Act with the Regional Provident Fund Commissioner, Delhi, North including with respect to eligible employees engaged at our Company's Hubli branch. Our Company has not received further follow-up communication from the EPFO in connection with such notice.

4. Our Company has received a notice dated April 6, 2018 from the Regional Provident Fund Commissioner, Jodhpur requiring our Company to submit certain records and registers under the EPF Act with respect to our Company's Owned Center at Jodhpur. Our Company has submitted a reply dated April 10, 2018 stating that our Company has been ensuring compliance with the EPF Act for its employees working in various branches through the code allotted by EPFO, Delhi. Accordingly, the requested documents are duly maintained at our Company's registered office in New Delhi. Subsequently, our Company has received notice dated May 17, 2018 from the Assistant Provident Fund Commissioner, Jodhpur requiring an explanation from our Company for non-production of records before the Enforcement Officer based on his visit to our Owned Center at Jodhpur on April 6, 2018 and April 12, 2018. Our Company has submitted a reply dated May 25, 2018 stating that our Company has already submitted all the requisite documents and has uploaded the KYC information and bank account number of all employees as its Owned Center at Jodhpur. Our Company has not received any further follow-up communication from the Assistant Provident Fund Commissioner in connection with such notice.

5. Our Company has received two notices dated September 1, 2017 and November 2, 2017, respectively from the Assistant Labour Commissioner, Indore Division requiring our Company to submit annual returns and register of payment of bonus under the Payment of Bonus Act, 1965 for FY 2016. Our Company has submitted replies dated October 4, 2017 and November 22, 2017 stating that our Company has paid bonus in accordance with the Payment of Bonus Act, 1965 to

all eligible employees during FY 2016 and provided copies of the annual return and register of payment of bonus to the Assistant Labor Commissioner, Indore Division. Our Company has not received further follow-up communication from the labor authorities in connection with such notices.

6. Our Company has received five notices involving an aggregate amount of ₹66,112, of which one notice has been addressed to Mr. J.C. Chaudhry, our Chairman cum Managing Director, and one to Mr. Aakash Chaudhry, our Chief Executive Officer & Whole-time Director, from the labor authorities in relation to alleged non-compliance with the state-specific shops and establishments legislations, the Minimum Wages Act, 1948 and other labor welfare legislation and related matters, including non-payment of wages and statutory contributions or instructions to submit registers, returns, other documents or information. Our Company has submitted replies to the labor authorities in connection with such notices and where appropriate, submitted the requested information or documents or appropriate clarifications. Our Company has not received further follow-up communication from the labor authorities in connection with such notices.

7. Our Company has received a notice dated June 27, 2018 from the District Educational Officer, Himayath Nagar Zone, Hyderabad in relation to an alleged non-compliance in obtaining registration from the competent authority for conducting coaching classes at its coaching center located at Upper Ground Floor, Shop No. 4-6, Vasavi's Shreemukh Commercial Complex, Swagath Grand Building, Himayath Nagar, Hyderabad, Telangana. Our Company has submitted a reply dated June 29, 2018 to such notice stating that our Company has already applied for obtaining license and due permission for running the coaching center at Himayath Nagar pursuant to an application dated June 11, 2018. Our Company has not received further follow-up communication from the District Educational Officer in connection with such notice.

Tax proceedings

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹)*
Indirect Tax		
(i) Service tax cases	2	102,381,311
(ii) Service tax notices	7	812,474,321
TOTAL	9	914,855,632

** Does not include interest and penalty*

Civil litigation against our Company

1. Mr. Nitin Jain and his parents ("**Plaintiffs**") have filed a civil suit (CS(OS) No. 1429 of 2011) against our Company (through Mr. J.C. Chaudhry, our Chairman cum Managing Director) before the High Court of Delhi wherein it is alleged that Mr. Nitin Jain, who secured top rank in the joint entrance examination of IIT-JEE and the All India Engineering Entrance Examination in 2009, never took any coaching from our Company. However, he has alleged that our Company issued newspaper advertisements with the name and photograph of Mr. Nitin Jain claiming that Mr. Nitin Jain was a student of our Company. The Plaintiffs have also alleged that our Company has committed contempt of orders dated August 11, 2009 and September 7, 2009 of the High Court of Delhi in CS(OS) 1404 of 2009 and RFA (OS) 74 of 2009, respectively, wherein a civil suit filed by our Company against the Plaintiffs was dismissed (on the ground that Mr. Nitin Jain was a minor and therefore could not enter into a valid contract). The Plaintiffs have, *inter alia*, claimed damages of ₹20 million and ₹2.5 million per day from June 23, 2009 for loss of reputation and future interest at the rate of 18% per annum on the amount claimed from May 28, 2011 until realization of such amount. Pursuant to its interim order dated June 1, 2011, the High Court of Delhi has restrained our Company from using the name and photograph of Mr. Nitin Jain in its advertisements and website. In its written statement dated September 27, 2011, our Company has denied the allegations of the Plaintiffs (including any harm to the reputation of Mr. Nitin Jain) and contended that Mr. Nitin Jain was a *bona fide* student of our Company's distance learning

program known as "DLP Program Success Magnet" and had availed our Company's services, including practice tests and study materials. Further, the Plaintiffs had filed a rejoinder dated May 15, 2012 to the reply filed by our Company to the application of the Plaintiffs for reproduction of certain documents including enrollment forms and profit and loss account and balance sheet of our Company wherein the Plaintiffs have indicated that such documents would also be required in connection with the inquiry by the Central Bureau of Investigation ("**CBI**") which has been directed by the Ministry of Human Resource Development ("**MHRD**") based on a complaint filed by Mr. N.C. Jain, father of Mr. Nitin Jain, alleging malpractices and illegal activities by our Company and another coaching institute. However, our Company is not aware of any such inquiry being initiated by the CBI nor has it received any notice from the CBI or the MHRD in relation to any such inquiry.

Pursuant to an order dated July 12, 2016 of the High Court of Delhi, the matter (CS No. 17455/16) was transferred to the Court of District & Sessions Judge (South West District), Dwarka, Delhi. On February 19, 2018, the Court of District & Sessions Judge (South West District), Dwarka, Delhi passed an order that the issue of limitation, being mixed question of fact and law, cannot be decided without holding a trial. Our Company has challenged the impugned order dated February 19, 2018 before the High Court of Delhi by filing Civil Revision Petition No. 124/2018. The matter is currently pending.

2. Our Company is subject to litigation initiated in the ordinary course by our former students for refund of course fees and compensation, including on account of such former students not being satisfied with the services provided to them by our Company. Such matters are currently pending before the civil courts or the district forums constituted under the Consumer Protection Act, 1986.

Civil litigation by our Company

1. Our Company has initiated arbitration proceedings under the Arbitration Act in the ordinary course against ex-faculty members to claim damages on account of such persons leaving our Company's employment in violation of the terms and conditions of their service (including, in certain cases, prior to the completion of the contracted lock-in period or in the middle of an academic session), ex-franchisees where they have failed to pay outstanding franchise fees or other expenses or otherwise committed breach of the terms and conditions of the relevant franchisee agreements. Such matters are currently pending before the arbitrators or the appropriate civil courts, as the case may be.

II. *Litigation involving our Directors*

Actions by statutory/regulatory authorities involving our Directors

Mr. J.C. Chaudhry

Mr. J.C. Chaudhry, along with our Company, has received 18 notices from statutory/regulatory authorities. For details in relation to actions by statutory/regulatory authorities involving Mr. J.C. Chaudhry, see "– *Litigation involving our Company – Actions by statutory/regulatory authorities involving our Company*" on page 301.

Mr. Aakash Chaudhry

Mr. Aakash Chaudhry, along with our Company, has received one notice from the office of the Deputy Labour Commissioner. For details in relation to actions by statutory/regulatory authorities involving Mr. Aakash Chaudhry, see "– *Litigation involving our Company – Actions by statutory/regulatory authorities involving our Company*" on page 301.

Civil litigation against our Directors

Mr. J.C. Chaudhry

Mr. Subhash Chand Bagadia and his family members ("**Relevant Plaintiffs**") have filed a civil suit (CS No. 914 / 2000) on May 10, 2000 against *inter alia* Mr. J.C. Bagadia, Mr. J.C. Chaudhry, Chairman cum Managing Director of our Company, and Ms. Kamla Chaudhry, Non-executive Director of our Company before the High Court of Delhi ("**DHC**") alleging that Mr. J.C. Chaudhry and Ms. Kamla Chaudhry have acquired a property measuring 666 sq. mtrs., including all construction rights, among other things, at A-1/18, Pankha Road, Janakpuri, New Delhi, one of our Owned Centers, which the Relevant Plaintiffs have claimed to be an undivided family property, without the consent of the other members/co-parceners of the hindu undivided family property. The Relevant Plaintiffs have *inter alia* prayed for declaration of the property as a hindu undivided property, declaration of the two sale deeds dated March 13, 2000 as ineffective and void, partition decree and injunction of the suit property before the DHC. In their written statement dated August 3, 2000, Mr. J.C. Chaudhry and Ms. Kamla Chaudhry have denied all the allegations made in the plaint and stated that they were *bonafide* purchaser who purchased the suit property for a valuable sale consideration after due diligence. They have also asked for ₹7,000,000 with interest at the rate of 24% p.a. and damages in the event the property is returned to the Relevant Plaintiffs.

The DHC *vide* its order dated May 11, 2000 restrained Mr. J.C. Chaudhry and Ms. Kamla Chaudhry from selling, transferring and parting with possession and/or making additions/alterations in the suit property until the next date of hearing on August 10, 2000. Pursuant to this, the DHC *vide* its order dated September 22, 2000 modified the interim order to the effect that Mr. J.C. Chaudhry and Ms. Kamla Chaudhry may carry out and complete construction on the suit property as per law and may not claim any equities in their favor on the ground that they have expended money towards construction. Subsequently, the DHC *vide* its order dated August 21, 2003 transferred the matter to the Court of District and Session Judge, Delhi. All the parties have lead their respective evidence and now the matter is pending for final argument.

Ms. Kamla Chaudhry

A civil suit (CS No. 914/2000) has been filed before the DHC against *inter alia* Ms. Kamla Chaudhry, our Non-executive Director. For details in relation to actions by statutory/regulatory authorities involving Ms. Kamla Chaudhry, see "– *Litigation involving our Directors – Civil Litigation against our Directors – Mr. J.C. Chaudhry*" on page 304.

III. ***Litigation involving our Promoters***

Actions by statutory/regulatory authorities involving our Promoters

Mr. J.C. Chaudhry

Mr. J.C. Chaudhry, along with our Company, has received 18 notices from statutory/regulatory authorities. For details in relation to actions by statutory/regulatory authorities involving Mr. J.C. Chaudhry, see "– *Litigation involving our Company – Actions by statutory/regulatory authorities involving our Company*" on page 301.

Mr. Aakash Chaudhry

Mr. Aakash Chaudhry, along with our Company, has received one notice from the office of the Deputy Labour Commissioner. For details in relation to actions by statutory / regulatory authorities involving Mr. Aakash Chaudhry, see "– *Litigation involving our Company – Actions by statutory/regulatory authorities involving our Company"* on page 301.

Civil litigation against our Promoters

Mr. J.C. Chaudhry

A civil suit (CS No. 914/2000) has been filed before the DHC against *inter alia* Mr. J.C. Chaudhry, our Chairman cum Managing Director, amongst others. For details in relation to actions by statutory/regulatory authorities involving Mr. J.C. Chaudhry, see "*– Litigation involving our Directors – Civil Litigation against our Directors – Mr. J.C. Chaudhry*" on page 304.

IV. ***Outstanding Dues to Creditors***

As at March 31, 2018, we had 1,346 creditors. The aggregate amount outstanding to such creditors as at March 31, 2018 was ₹326.10 million.

In accordance with the SEBI ICDR Regulations, our Company, pursuant to a resolution of our Board dated June 20, 2018 considers all creditors of our Company to whom the amount due by our Company exceeds 5% of the total trade payables of our Company as at the period of the latest financial statements included in the relevant Offer documents, as material creditors of our Company.

Based on the above, there are four material creditors of our Company to whom an aggregate amount of ₹142.61 million was outstanding as at March 31, 2018.

Further, there are five micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, to whom an aggregate amount of ₹2.35 million was outstanding as at March 31, 2018.

For further details of the outstanding dues to creditors as at March 31, 2018, see the website of our Company at www.aakash.ac.in/investor-corner/creditors-information.

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.aakash.ac.in, would be doing so at their own risk.

V. ***Material developments since the last balance sheet***

Other than as disclosed in the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 276, in the opinion of our Board, no circumstances have arisen since the date of our last balance sheet as disclosed in this Draft Red Herring Prospectus which materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Set forth below is a list of approvals obtained by our Company for undertaking its business including certain material approvals in relation to the operations of our Company and approvals required to undertake the Offer. Unless otherwise stated, these approvals, licenses or registrations are valid as at the date of this Draft Red Herring Prospectus. We have also disclosed below material approvals for which (i) we have filed an application which is pending as at the date of this Draft Red Herring Prospectus; and (ii) we have not yet filed an application. For details in connection with the regulatory and legal framework within which we operate, see "*Key Regulations and Policies" on page 151.*

I. APPROVALS IN RELATION TO THE OFFER

See "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 310 for the approvals and authorizations in relation to the Offer.

II. INCORPORATION DETAILS OF OUR COMPANY

1. Certificate of incorporation dated October 15, 2007 issued to our Company by the RoC in the name of Aakash Educational Services Limited.

2. Certificate of commencement of business dated January 9, 2008 issued to our Company by the RoC.

3. Fresh certificate of incorporation dated June 21, 2014 issued to our Company by the RoC in the name of Aakash Educational Services Private Limited, upon conversion of our Company from a public company to a private company.

4. Fresh certificate of incorporation dated July 5, 2018 issued to our Company by the RoC in its current name, being Aakash Educational Services Limited, upon conversion of our Company from a private company to a public company.

III. APPROVALS IN RELATION TO THE OPERATIONS OF OUR COMPANY

A. Approvals in relation to the general operations of our Company

1. Our Company has obtained registrations under various Indian tax laws and other local or municipal laws, including, but not limited to, registration certificates for service tax, VAT, GST, professional tax and trade licenses.

2. Our Company has obtained registrations under applicable labor laws including, but not limited to, registrations under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948.

3. Our Company has obtained a certificate of registration no. R22143792 dated January 3, 2018 as telemarketer under the Telecom Commercial Communications Customer Preference Regulations, 2010 issued by the Telecom Regulatory Authority of India under the Telecom Regulatory Authority of India Act, 1997.

B. Approvals in relation to the business of our Company

As of March 31, 2018, our Company operates the Aakash Centers through 170 classroom centers, of which 103 classroom centers are Owned Centers and 67 classroom centers are operated through Franchisee Centers. For further details about the Aakash Centers, see "*Our Business*" on page 129. Our Company is responsible for obtaining and maintaining approvals for our Owned Centers while the Franchisees are responsible for obtaining and maintaining approvals in relation to the Franchisee Centers. Further, in respect of certain approvals for our Owned Centers which are on leased premises, the landlord of such leased premises is responsible for obtaining and maintaining such approvals. While we require various approvals, licenses and registrations under several central or state-level acts, municipal laws, rules and regulations to operate our coaching centers in India, an indicative list of the material approvals required to be obtained by us for the purposes of carrying out our business operations in our Owned Centers are set forth below ("**Material Approvals**"). Other than as stated below, no further Material Approvals are required to undertake business operations in our Owned Centers. Other than as disclosed in items C. and D. below, in relation to our Owned Centers, our Company currently has received all the Material Approvals, as required.

- Registrations required to operate our Owned Centers under applicable coaching center legislations in the relevant states in India where our Owned Centers are located.

- Registrations under the applicable shops and establishments laws in the relevant states in India where our Owned Centers are located.

- Trade licenses to operate our Owned Centers as required under applicable state and municipal laws.

C. Material Approvals for which applications have been filed by our Company

As of the date of this Draft Red Herring Prospectus, in relation to our Owned Centers, our Company has made the following applications before the relevant authorities to obtain registration or renewals of the Material Approvals that have expired, which are currently pending.

(a) Applications under the applicable coaching center legislations that have been filed by our Company in relation to our Owned Centers are set forth below.

S. No.	State	Number of applications which are pending
1.	Uttar Pradesh	2
2.	Goa	1
3.	Maharashtra	9
4.	Telangana	8
	Total	**20**

(b) Application under the applicable shops and establishments laws that has been filed by our Company in relation to our Owned Center is set forth below.

S. No.	State	Number of applications which are pending
1.	Gujarat	1
	Total	**1**

(c) Applications for trade licenses to operate that have been filed by our Company in relation to our Owned Centers are set forth below.

S. No.	State	Number of applications which are pending
1.	Andhra Pradesh	2
2.	Goa	1
3.	Haryana	5
4.	Karnataka	9
5.	Kerala	2
6.	Madhya Pradesh	2
7.	New Delhi	4
8.	Punjab	1
9.	Telangana	1
	Total	**27**

Additionally, we have made application for trade license for our Registered Office situated at Plot No. 8, Pusa Road, New Delhi 110 005.

D. Material Approvals for which applications are yet to be filed by our Company

As at the date of this Draft Red Herring Prospectus, in relation to our Owned Centers, our Company has not yet applied for the following registrations or renewals of Material Approvals:

(a) Applications under the applicable coaching center legislations that are yet to be filed by our Company in relation to our Owned Centers are set forth below.

S. No.	State	Number of applications which are yet to be filed
1.	Kerala	6
2.	Maharashtra	2
3.	Uttar Pradesh	1
	Total	**9**

(b) Application under the applicable shops and establishments laws that are yet to be filed by our Company in relation to our Owned Center is set forth below.

S. No.	State	Number of applications which are pending
1.	Maharashtra	1
	Total	**1**

(c) Applications for trade licenses that are yet to be filed by our Company in relation to our Owned Centers are set forth below.

S. No.	State	Number of applications which are yet to be filed
1.	Kerala	3
2.	Madhya Pradesh	1
	Total	**4**

E. Other Approvals

1. In addition to the Material Approvals, we have also obtained registrations pursuant to the Contract Labour (Regulation and Abolition) Act, 1970, as applicable.

2. Other than as disclosed below, we have obtained no-objection certificates in respect of fire safety with respect to our Owned Centers as required under applicable state and municipal laws.

   (a) Applications for no-objection certificates in respect of fire safety that have been filed by our Company in relation to our Owned Centers are set forth below.

S. No.	State	Number of applications which are pending
1.	Andhra Pradesh	5
2.	Chandigarh	1
3.	Gujarat	4
4.	Haryana	8
5.	Karnataka	9
6.	Kerala	1
7.	Madhya Pradesh	6
8.	Maharashtra	8
9.	New Delhi	4
10.	Punjab	1
11.	Rajasthan	5
12.	Tamil Nadu	2
13.	Telangana	8
14.	Uttar Pradesh	11
15.	Uttarakhand	2
	Total	**75**

Additionally, we have made application for fire NOC for our Registered Office situated at Plot No. 8, Pusa Road, New Delhi 110 005.

(b) Applications for no-objection certificates in respect of fire safety that are yet to be filed by our Company in relation to in relation to our Owned Centers are set forth below.

S. No.	State	Number of applications which are yet to be filed
1.	Kerala	3
2.	Maharashtra	2
3.	Tamil Nadu	5
	Total	**10**

IV. INTELLECTUAL PROPERTY

A. As at the date of this Draft Red Herring Prospectus, our Company has registered and holds 45 trademarks under various classes, including classes 16 (Paper Goods and Printed Matter) and 41 (Education and Entertainment) granted by the Registrar of Trademarks under the Trademarks Act. Our brand name "Aakash" has been registered under classes 16 and 41 with Registration Nos.1761552 and 1671551 respectively, which are valid until December 7, 2028. Our Company has also filed seven applications for registration in various classes under the Trademarks Act, which are currently pending before the Registrar of Trademarks.

B. Further, pursuant to the Deed of Assignment, J C Jagruti has assigned all rights, title and interest in certain trademarks, trademark applications and copyrights related to the business operations to our Company on an exclusive basis with effect from June 18, 2018, on payment of a consideration of ₹ 4.40 million as specified under the Deed of Assignment. All assignment under the Deed of Assignment will subsist in perpetuity and the assignment is not subject to any territorial restrictions.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has, pursuant to a resolution dated June 14, 2018 authorized the Offer. The Offer for Sale has been authorized by the Selling Shareholders in the form of their respective letters of consent as disclosed in "*The Offer*" on page 56.

Our IPO Committee has approved this Draft Red Herring Prospectus pursuant to a resolution dated July 19, 2018.

Each of the Selling Shareholders confirm that the portion of the Equity Shares being offered by them in the Offer have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with the SEBI as required under Regulation 26(6) of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale. The Selling Shareholders have also confirmed with respect to the Equity Shares held by them that each of them is the legal and beneficial owner of the respective portion of the Equity Shares being offered in the Offer for Sale.

The Selling Shareholders have on their own account confirmed that he has not been prohibited from dealing in the securities market and the Equity Shares proposed to be offered by each of the Selling Shareholders in the Offer are free from any lien, encumbrance, transfer restrictions or third party rights.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by the SEBI or Other Governmental Authorities

None of our Company, our Promoters, members of our Promoter Group, our Group Companies, our Directors and the persons in control of our Company have been debarred from accessing or operating in the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

The companies with which our Promoters, our Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have not been debarred from accessing or operating in the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

None of our Directors are associated with the securities market in any manner.

Prohibition by the RBI

None of our Company, our Directors, our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters and our Group Companies has been identified as a Wilful Defaulter. There are no violations of securities laws committed by any of them in the past or that are pending against them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(2) of the SEBI ICDR Regulations, which states as follows:

"(2) An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net offer to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers."

Our Company is an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI ICDR Regulations and is therefore required to meet the conditions detailed in Regulation 26(2) of the SEBI ICDR Regulations.

We will be complying with Regulation 26(2) of the SEBI ICDR Regulations and at least 75% of the Net Offer is proposed to be Allotted to QIBs and in the event our Company fails to do so, the full application monies shall be refunded to the Bidders. Hence, our Company is eligible for the Offer under Regulation 26(2) of the SEBI ICDR Regulations.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company will ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000, failing which the entire application monies shall be refunded forthwith. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Our Company is in compliance with conditions specified in Regulation 4(2) of the SEBI ICDR Regulations to the extent applicable.

Disclaimer Clause of the SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO THE SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SEBI. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND CLSA INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS ARE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THE RESPECTIVE PORTION OF THE EQUITY SHARES OFFERED BY THEM IN THE OFFER, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND CLSA INDIA PRIVATE LIMITED, HAVE FURNISHED TO THE SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 19, 2018 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE-MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM 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 DOCUMENTS IN CONNECTION WITH THE FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT**

VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, TO THE EXTENT NOT REPLACED BY THE COMPANIES ACT, 2013, THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS;

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID - <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>;**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – <u>NOTED FOR COMPLIANCE</u>;**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES 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 DRAFT RED HERRING PROSPECTUS WITH THE SEBI, UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS – <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>;**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS - <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>;**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSES (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. 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 COMPANY ALONG WITH THE PROCEEDS OF THE OFFER – <u>NOT APPLICABLE</u>;**

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY, AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECTS CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – COMPLIED WITH TO THE EXTENT APPLICABLE;

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER 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 ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE; ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT, AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013;

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER WILL BE ALLOTTED IN DEMATERIALIZED FORM ONLY;

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION - COMPLIED WITH;

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY - COMPLIED WITH; AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME - COMPLIED WITH;

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER – COMPLIED WITH AND NOTED FOR COMPLIANCE;

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. - COMPLIED WITH;

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY - COMPLIED WITH;

16. WE ENCLOSE A STATEMENT ON PRICE INFORMATION OF 'PAST ISSUES HANDLED BY THE MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)', AS PER THE FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR - COMPLIED WITH;

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN THE RESTATED FINANCIAL INFORMATION AS CERTIFIED BY NANGIA & CO. LLP, CHARTERED ACCOUNTANTS, BY WAY OF A CERTIFICATE DATED JULY 18, 2018;

18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER REGULATION 106Y(1)(A) OR (B) (AS THE CASE MAY BE) OF THE SEBI ICDR REGULATIONS TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS (IF APPLICABLE) – NOT APPLICABLE.

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company or any person that authorizes the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. The SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32 and 33 of the Companies Act, 2013.

Price information of past issues handled by the BRLMs

1. Kotak

Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/-% Change in the closing price, (=/-% change in closing benchmark) – 30th calendar day from listing	+/-% Change in the closing price, (=/-% change in closing benchmark) – 90th calendar days from listing	+/-% Change in the closing price, (=/-% change in closing benchmark) – 180th calendar day from listing
1.	Varroc Engineering Limited(1)	19,549.61	967	July 6, 2018	1,015.00	-	-	-
2.	IndoStar Capital Finance Limited	18,440.00	572	May 21, 2018	600.00	-0.96%[+1.84%]	-	-
3.	Lemon Tree Hotels Limited	10,386.85	56	April 9, 2018	61.60	+30.18%[+3.26%]	+29.91%[+3.79%]	-
4.	Bandhan Bank Limited	44,730.19	375	March 27, 2018	499.00	+31.81%[+3.79%]	+42.96[+6.26%]	-
5.	Aster DM Healthcare Limited	9,801.36	190	February 26, 2018	183.00	-13.66% [-3.77%]	-4.97%[+0.21%]	-
6.	The New India Assurance Company Limited(2)	95,858.22	800	November 13, 2017	750.00	-27.91% [+0.15%]	-12.93%[+2.25%]	-13.06%[+5.69%]

7.	Mahindra Logistics Limited(3)	8,288.84	429	November 10, 2017	429.00	+3.12% [-0.54%]	+9.48%[+1.50%]	+21.00%[+3.84%]
8.	General Insurance Corporation of India(4)	112,568.31	912	October 25, 2017	850.00	-12.92% [+0.52%]	-13.95%[+6.52%]	-20.78%[+2.61%]
9.	Indian Energy Exchange Limited	10,007.26	1650	October 23, 2017	1,500.00	-8.15% [+1.39%]	-1.77%[+6.97%]	-0.71%[+3.72%]
10.	Godrej Agrovet Limited	11,573.12	460	October 16, 2017	615.60	+14.96%[- 0.43%]	+34.95%[+4.40%]	+51.09%[+2.44%]

Source: www.nseindia.com

Notes:

1. *In Varroc Engineering Limited, the issue price to employees was ₹ 919 after a discount of ₹ 48 per equity share.*
2. *In The New India Assurance Company Limited, the issue price to retail individual bidders and employees was ₹ 770 per equity share after a discount of ₹ 30 per equity share.*
3. *In Mahindra Logistics Limited, the issue price to employees was ₹ 387 per equity share after a discount of ₹ 42 per equity share. The Anchor Investor Issue price was ₹ 429 per equity share.*
4. *In General Insurance Corporation of India, the issue price to retail individual bidders and employees was ₹ 867 per equity share after a discount of ₹ 45 per equity share.*
5. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*
6. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
7. *Nifty is considered as the benchmark index.*
8. *Restricted to last 10 issues.*

Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

Financial Year	Total number of initial public offers	Total funds raised (₹ in million)	Nos. of IPOs trading at discount – 30th calendar days from listing			Nos. of IPOs trading at premium – 30th calendar day from listing			Nos. of IPOs trading at discount – 180th calendar day from listing			Nos. of IPOs trading at premium – 180th calendar day from listing]		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	3	28,826.85	-	-	1	-	1	-	-	-	-	-	-	-
2017-2018	9	384,510.39	-	1	5	-	1	2	-	-	4	1	1	1
2016-2017	11	135,676.30	-	-	4	2	1	4	-	1	2	5	2	1

Notes:

1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

2. <u>Citi</u>

Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/-% Change in the closing price, (=/-% change in closing benchmark) – 30th calendar day from listing	+/-% Change in the closing price, (=/-% change in closing benchmark) – 90th calendar days from listing	+/-% Change in the closing price, (=/-% change in closing benchmark) – 180th calendar day from listing
1.	Varroc Engineering Limited	19,551.8	967.00	July 6, 2018	1,015.00	-	-	-
2.	ICICI Securities	35,148.5	520.00	April 4, 2018	435.00	(-)27.93% [+5.44%]	(-)38.63%	-

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/-% Change in the closing price, (=/-% change in closing benchmark) – 30th calendar day from listing	+/-% Change in the closing price, (=/-% change in closing benchmark) – 90th calendar days from listing	+/-% Change in the closing price, (=/-% change in closing benchmark) – 180th calendar day from listing
	Limited						[+5.64%]	
3.	General Insurance Corporation of India	112,568.3	912.00	October 25, 2017	850.00	(-)12.92% [+0.52%]	(-)13.95% [+6.52%]	(-)20.78% [+2.61%]
4.	SBI Life Insurance Company Limited	83,887.3	700.00	October 3, 2017	735.00	(-)7.56% [+5.89%]	(-)0.66% [+6.81%]	(-)3.11% [2.58%]
5.	AU Small Finance Bank Limited	19,125.1	358.00	July 10, 2017	530.00	+58.76% [+2.12%]	+71.80% [+2.14%]	+95.38% [+8.06%]
6.	Eris Lifesciences Limited	17,404.9	603.00	June 29, 2017	611.00	+0.87% [+5.37%]	(-)5.69% [+3.87%]	+27.19% [+10.40%]
7.	Tejas Networks Limited	7,766.9	257.00	June 27, 2017	257.00	+28.04% [+5.35%]	+23.27% [+4.76%]	+51.65% [+10.32%]
8.	India Grid Trust	22,499.6	100.00	June 6, 2017	99.70	(-)7.66% [+0.00%]	(-)3.50% [+3.50%]	(-)5.15% [+5.03%]
9.	Laurus Labs Limited	13,305.1	428.00	December 19, 2016	489.90	+11.44% [+3.62%]	+23.97% [+13.03%]	+41.43% [+18.31%]
10.	Endurance Technologies Limited	11,617.4	472.00	October 19, 2016	572.00	+16.06% [(-)6.69%]	+23.78% [(-)2.84%]	+76.32% [+5.68%]

Source: www.nseindia.com

Notes:

1. *Nifty is considered as the benchmark index.*
2. *In case 30th/ 90th/180th day is not a trading day, closing price on the NSE of a trading day immediately prior to the 30th/ 90th/180th day, is considered.*
3. *Since the listing date of ICICI Securities Limited was April 4, 2018, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available.*
4. *Since the listing date of Varroc Engineering Limited was July 6, 2018, information relating to closing prices and benchmark index as on 30th/90th/180th calendar day from listing date is not available.*

Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years preceding the current Financial Year):

			Nos. of IPOs trading at discount – 30th calendar days from listing			Nos. of IPOs trading at premium – 30th calendar day from listing			Nos. of IPOs trading at discount – 180th calendar day from listing			Nos. of IPOs trading at premium – 180th calendar day from listing		
Financial Year	Total number of initial public offers	Total funds raised (₹ in million)	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	2	54,700.3	-	1	-	-	-	-	-	-	-	-	-	-
2017-2018	6	263,252.1	-	-	3	1	1	1	-	-	3	2	1	-
2016-2017	5	59,804.8	-	-	1	-	1	3	-	-	1	3	1	-

Notes:

1. *Since the listing date of ICICI Securities Limited was April 4, 2018, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available.*
2. *Since the listing date of Varroc Engineering Limited was July 6, 2018, information relating to closing prices and benchmark index as on 30th/180th calendar day from listing date is not available.*

3. CLSA

Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/-% Change in the closing price, (=/-% change in closing benchmark) – 30th calendar day from listing	+/-% Change in the closing price, (=/-% change in closing benchmark) – 90th calendar days from listing	+/-% Change in the closing price, (=/-% change in closing benchmark) – 180th calendar day from listing
1.	Lemon Tree Hotels Limited[2]	10,386.85	56.00	April 9, 2018	61.60	+30.18%, [+3.26%]	+30.09%, [+4.56%]	-
2.	ICICI Securities Limited[2]	35,148.49	520.00	April 4, 2018	435.00	-27.93%, [+5.44%]	-37.26%, [+5.22%]	-
3.	Future Supply Chain Solutions Limited[2]	6,496.95	664.00	December 18, 2017	664.00	+3.50%, [+3.00%]	+6.27%, [-2.83%]	-5.20%, [+4.13%]
4.	HDFC Standard Life Insurance Company Limited[2]	86,950.07	290.00	November 17, 2017	310.00	+30.16%, [+1.02%]	+48.93%, [+2.11%]	+74.66%, [+5.04%]
5.	Reliance Nippon Life Asset Management Limited[2]	15,422.40	252.00	November 6, 2017	295.90	+3.61%, [-3.19%]	+8.12%, [+2.05%]	-4.21%, [+1.59%]
6.	ICICI Lombard General Insurance Company Limited[2]	57,009.39	661.00	September 27, 2017	651.10	+3.62%, [+6.25%]	+18.97%, [+8.17%]	+15.36%, [+4.06%]
7.	Varun Beverages Limited[2]	11,125.00	445.00	November 8, 2016	430.00	-7.72%, [-5.17%]	-9.36%, [+3.01%]	+10.60%, [+9.02%]
8.	ICICI Prudential Life Insurance Company Limited[2]	60,567.91	334.00	September 29, 2016	330.00	-7.60%, [+0.54%]	-11.54%, [-6.50%]	+12.31%, [+5.28%]

Source: www.nseindia.com

Notes:

1. *The CNX NIFTY is considered as the Benchmark Index.*
2. *Price on the NSE is considered for all of the above calculations.*
3. *In case 30th/90th/180th day is not a trading day, closing price on the NSE of the next trading day has been considered.*
4. *Not applicable – where the relevant period has not been completed.*

Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years preceding the current Financial Year):

Financial Year	Total no. of IPOs	Total funds raised (₹ in million)	Nos. of IPOs trading at discount – 30th calendar days from listing			Nos. of IPOs trading at premium – 30th calendar day from listing			Nos. of IPOs trading at discount – 180th calendar day from listing			Nos. of IPOs trading at premium – 180th calendar day from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	2	45,535.33	-	1	-	-	1	-	-	-	-	-	-	-
2017-2018	4	165,878.81	-	-	-	-	1	3	-	-	2	1	-	1
2016-2017	2	71,692.91	-	-	2	-	-	-	-	-	-	-	-	2

Notes:

1. *For financial year 2018-19, the information is as on the date of this Offer Document.*
2. *The total number of IPOs and the total amount of funds raised have been included for each financial year based on the IPOs listed during such financial year.*

Track Record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular (No. CIR/MIRSD/1/2012) dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs, as set forth in the table below.

S. No.	Name of BRLM	Website
1.	Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com
2.	Citigroup Global Markets India Private Limited	www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
3.	CLSA India Private Limited	http://www.india.clsa.com

Caution - Disclaimer from our Company, the Selling Shareholders and the BRLMs

Our Company, our Directors, our Promoters and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Each of the Selling Shareholders accepts no responsibility for any statements made other than those specifically made by the respective Selling Shareholder in relation to themselves and their respective portion of Equity Shares offered in the Offer. Anyone placing reliance on any other source of information, including our Company's website, www.aakash.ac.in, or any other website of our Company or any website of any of the members of our Promoters, Promoter Group, Group Companies or any affiliates of our Company or the Selling Shareholders, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information, to the extent required in relation to the Offer, shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be made available by our Company, the Selling Shareholders and the BRLMs for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centers or elsewhere.

None of our Company, our Directors, the Selling Shareholders or any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, 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 the Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, 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 the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders, our Promoters, members of our Promoter Group and our Group Companies, and their respective affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers or suppliers to our Company, the Selling Shareholders, our Promoters, members of our Promoter Group and our Group Companies, and their respective affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with the SEBI, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Systemically Important NBFCs or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, insurance companies registered with the IRDAI, permitted provident funds and pension funds, insurance funds set up and managed by the army, navy and air force of the Union of India, and insurance funds set up and managed by the Department of Posts, Government of India) and to Eligible FPIs, Eligible NRIs and other eligible foreign investors, state industrial development corporations and registered multinational and bilateral development financial institutions.

This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, the Selling Shareholders, our Promoters, members of our Promoter Group or our Group Companies since the date hereof or that the information contained herein is correct as at any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares are being offered and sold in the United States in reliance on an exemption from the registration requirements of Section 5 of the U.S. Securities Act only to persons who are: (i) qualified institutional buyers (''U.S. QIBs'') as defined in Rule 144A under the U.S. Securities Act (for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs"); and (ii) qualified purchasers (''QPs'') as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "U.S. Investment Company Act") (persons who are both a QIB and QP are referred to as ''Entitled QPs''). The Equity Shares are being offered and sold outside the United States to non-U.S. Persons (or to persons who are both U.S. Persons (as defined in Regulation S) and Entitled QPs) in reliance on Regulation S under the U.S. Securities Act (''Regulation S''). The Equity Shares are not transferable except

in accordance with the restrictions described under "*Section VII: Offer Related Information—Terms of the Offer—Eligibility and Transfer Restrictions*" beginning on page 329 of this Draft Red Herring Prospectus. Purchasers in the United States or who are U.S. Persons will be required to make the representations, warranties, agreements, undertakings and acknowledgments contained in "*Section VII: Offer Related Information—Terms of the Offer—Eligibility and Transfer Restrictions—Equity Shares Offered and Sold within the United States or to U.S. Persons*" beginning on page 330 of this Draft Red Herring Prospectus. Each purchaser is hereby notified that sellers of Equity Shares may be relying on an exemption from the provisions of Section 5 of the U.S. Securities Act.

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

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by the BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

Filing

A copy of this Draft Red Herring Prospectus has been filed with the SEBI at the Corporation Finance Department, Division of Issues and Listing, SEBI Bhavan, Plot No. C4 A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India. The BRLMs have also made an online filing of this Draft Red Herring Prospectus through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with the RoC at the office of the Registrar of Companies, National Capital Territory of Delhi and Haryana, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110 019, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus as required by applicable law. If such moneys are not repaid within the prescribed time, then our Company and every Director of our Company who is an officer in default and the Selling Shareholders shall be liable to repay such moneys with interest, as prescribed under applicable law. In this regard, it is clarified that, none of the Selling Shareholders shall be liable to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder in relation to their respective proportion of the Equity Shares offered in the Offer.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other time period as may be specified under applicable law. Further, the Selling Shareholders confirm that they will extend all reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges within six Working Days of the Bid/Offer Closing Date or such other timeline as prescribed by applicable law. If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it will repay without interest all monies received from the Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Each of the Selling Shareholder confirms that it shall reimburse our Company for any interest payments made by our Company on behalf of such Selling Shareholder in proportion of the Equity Shares offered by each of them in the Offer.

Consents

Consents in writing of: (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, the Auditors of our Company, Legal Advisers to our Company as to Indian Law, Legal Advisers to the BRLMs as to Indian Law, Legal Advisers to the Underwriters as to International Law, the Bankers to our Company and (b) the BRLMs, the Registrar to the Offer, CRISIL, the Syndicate Members, the Escrow Collection Bank(s), the Refund Bank(s) and the Public Offer Account Bank(s) to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus with the RoC and filed (as applicable) along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents that have been obtained have not been withdrawn as at the date of this Draft Red Herring Prospectus.

Experts

Our Company has not obtained any expert opinions other than as disclosed below.

Our Company has received written consent from the Statutory Auditors namely, B S R & Co. LLP, Chartered Accountants to include its name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) read with Section 26 of the Companies Act, 2013 in respect of the examination report of the Statutory Auditors on the Restated Financial Information dated July 9, 2018 and the statement of possible special tax benefits dated July 13, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus with the SEBI.

Offer Related Expenses

The estimated expenses of the Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar and depository fees and listing fees. For further details, see "*Objects of the Offer*" on page 81.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission, brokerage and selling commission and reimbursement of their out-of-pocket expenses) will be as per the Syndicate Agreement, a copy of which will be available for inspection at our Registered Office from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. For further details, see "*Objects of the Offer*" on page 81.

Commission Payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see "*Objects of the Offer*" on page 81.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for, *inter alia*, processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as stated in the Registrar Agreement, a copy of which will be available for inspection at our Registered Office from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment Advice by registered post/speed post.

For details see "*Objects of the Offer*" on page 81.

Commission or brokerage on previous issues

Since this is an initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares by our Company since its incorporation.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues in terms of the SEBI ICDR Regulations during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Our Company has not issued any Equity Shares for consideration otherwise than for cash, other than as set out in "*Capital Structure*" on page 66.

Capital issues during the previous three years by our Company and listed group companies

None of our Company and our Group Companies have made any public or rights issue in terms of the SEBI ICDR Regulations during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects – details of public or rights issues by our Company and listed group companies in the last ten years

None of our Company and our Group Companies are listed on any stock exchange or have undertaken any public or rights issue in terms of the SEBI ICDR Regulations in the ten years immediately preceding the date of this Draft Red Herring Prospectus.

Outstanding Debentures or Bonds or Preference Shares or Other Instruments

Other than the options granted under the Aakash ESOP Scheme, our Company does not have any outstanding debentures or bonds or preference shares or other instruments as at the date of this Draft Red Herring Prospectus. For details, see "*Capital Structure – Notes to Capital Structure – Aakash ESOP Scheme*" on page 75.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as at the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of Allotment, dematerialized credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances (other than of Anchor Investors) may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of submission of Bid cum Application Form and the name and address of the Designated Intermediary with whom the Bid cum Application Form was submitted. Further, Bidders shall also enclose a copy of the Acknowledgment Slip or specify the application number duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of circular (No. SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months from the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, and for any delay beyond which, the concerned SCSB would have to pay interest at the rate of 15% per annum.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of any Designated Intermediary including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Investors can contact our Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode. For contact details of our Company Secretary and Compliance Officer, see "*General Information*".

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary for the redressal of routine investor grievances will be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders' Relationship Committee comprising Mr. Rajesh Relan (Chairperson) and Mr. J.C. Chaudhry and Mr. Aakash Chaudhry as members, which is responsible for redressal of grievances of security holders of our Company. For details, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 171.

Our Company has also appointed Mr. Veerendra Kumar Achanta as our Company Secretary and Compliance Officer for the Offer to redress any complaints received from the Bidders in respect of the Offer. Further, each of the Selling Shareholders has authorized our Company Secretary and Compliance Officer and the Registrar to the Offer to redress any complaints received from the Bidders in respect of the Offer. For contact details, see "*General Information*" on page 58.

Changes in Statutory Auditors

Except as set forth below, there has been no change in the auditors of our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Name of Auditor	Date of appointment	Date of resignation	Reasons for change
M/s Sunil Vijay & Associates	August 11, 2014	November 10, 2016	Voluntary resignation on account of unwillingness to devote time to the affairs of the Company
Price Waterhouse Chartered Accountants LLP	September 1, 2017	March 1, 2018	Voluntary resignation
B S R & Co. LLP, Chartered Accountants	March 7, 2018	-	Appointment to fill casual vacancy

Capitalization of Reserves or Profits

Other than the issuance of Equity Shares pursuant to bonus issues as disclosed in the "*Capital Structure*" on page 66, our Company has not capitalized its reserves or profits at any time during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not re-valued its assets in the five years immediately preceding the date of this Draft Red Herring Prospectus.

SECTION VII: OFFER RELATED INFORMATION
TERMS OF THE OFFER

The Equity Shares being offered pursuant to the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, our Memorandum of Association and our Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or any other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

Offer Related Expenses

The Offer comprises an offer for sale of Equity Shares by the Selling Shareholders. Upon completion of the Offer, all expenses with respect to the Offer will be borne by the Selling Shareholders. To the extent required under applicable law, any payments by our Company in relation to the Offer shall be on behalf of the Selling Shareholders and such payments will be reimbursed by the Selling Shareholders to our Company. For details in relation to Offer related expenses, see "*Objects of the Offer*" and "*Other Regulatory and Statutory Disclosures*" on pages 81 and 310, respectively.

Ranking of the Equity Shares

The Equity Shares being offered pursuant to the Offer will be subject to the provisions of the Companies Act, our Memorandum of Association and our Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of the Articles of Association*" on page 385.

Mode of Payment of Dividend

Our Company will pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, our Memorandum of Association and our Articles of Association and provisions of the SEBI Listing Regulations and other applicable law. Any dividend declared after the date of Allotment in this Offer, will be received by the Allottees in accordance with applicable law. For further details in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 188 and 385, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹ 5 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band, the Retail Discount, the Employee Discount and the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs and will be advertised in [●] editions of the English national daily newspaper, [●] and, [●] editions of the Hindi national daily newspaper, [●] (Hindi also being the regional language of New Delhi, where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and will be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, will be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Offer Price will be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date, by way of the Book Building Process.

Rights of Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders will have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting rights, unless prohibited by law;
- right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- right of free transferability, subject to applicable laws including any rules and regulations prescribed by the RBI; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provisions of the Articles of Association*" on page 385.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares will be Allotted only in dematerialized form. The trading of the Equity Shares will only be in the dematerialized segment of the Stock Exchanges. In this context, the following agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- tripartite agreement dated July 17, 2018 among our Company, NSDL and the Registrar to the Offer; and
- tripartite agreement dated July 16, 2018 among our Company, CDSL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares will only be in dematerialized form, the tradable lot will be one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For details of basis of allotment, see "*Offer Procedure – Part B – Section 7: Allotment Procedure and Basis of Allotment*" on page 374.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in New Delhi, India.

Nomination Facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), will be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of such Equity Shares. Where the nominee is a minor, the holders may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Shares in the event of his or her death during the minority. A nomination will stand rescinded upon a sale/transfer/alienation of Equity Shares 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.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 will upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our 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 Offer will be made only in dematerialized form there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the Bidders wish to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company, in consultation with the BRLMs, reserves the right to not proceed with the Offer for any reason at any time, in whole or part thereof, after the Bid/Offer Opening Date but before the Allotment. In the event that our Company and/or the Selling Shareholders, in consultation with the BRLMs, decide not to proceed with the Offer, our Company will issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer. In such event, the BRLMs through the Registrar to the Offer, will notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company will also promptly inform the Stock Exchanges on which the Equity Shares are proposed to be listed of such withdrawal.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offering of Equity Shares, our Company will file a fresh draft red herring prospectus with the SEBI.

Bid/Offer Program

BID/OFFER OPENS ON	[●][1]
BID/OFFER CLOSES ON	[●][2]

(1) *Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period will be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

(2) *Our Company may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of the Offer is set forth below.

Event	Indicative date
Bid/Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

While our Company will ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they will extend all reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date.

Submission of Bids (other than Bids from Anchor Investors)

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids will be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion.

On the Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received from Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and in any case no later than 1.00 PM IST on the Bid/Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None of our Company, the Selling Shareholders and the Members of the Syndicate will be liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer

Period, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. The revision in the Price Band will not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding ten Working Days. Any revision in the Price Band, and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer. However, if our Company does not make minimum allotment as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the Bid/Offer Closing Date, our Company will forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company will pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law.

In compliance with Regulation 26(2) of the SEBI ICDR Regulations, at least 75% of the Net Offer will be Allotted on a proportionate basis to QIBs.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company will ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company, the minimum Promoters' contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 66, and the transfer restrictions described below under the heading " – *Eligibility and Transfer Restrictions*" on page 329, and except as provided in our Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of Equity Shares and on their consolidation/splitting, except as provided in our Articles of Association. For details, see "*Main Provisions of the Articles of Association*" on page 385.

Eligibility and Transfer Restrictions

As described more fully below, there are certain restrictions regarding the Equity Shares that affect potential U.S. and non-U.S. investors. Because of the following restrictions, purchasers of the Equity Shares in the Offer are advised to consult their legal counsel prior to making any offer, resale, pledge or other transfer of such Equity Shares. Terms used herein that are defined in Rule 144A or Regulation S are used herein as defined therein.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares are being offered and sold in the United States in reliance on an exemption from the registration requirements of Section 5 of the U.S. Securities Act only to persons who are: (i) qualified institutional buyers (''U.S. QIBs'') as defined in Rule 144A under the U.S. Securities Act (for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs"); and (ii) qualified purchasers (''QPs'') as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "U.S. Investment Company Act") (persons who are both a QIB and QP are referred to as ''Entitled QPs''). The Equity Shares are being offered and sold outside the United States to non-U.S. Persons

(or to persons who are both U.S. Persons (as defined in Regulation S) and Entitled QPs) in reliance on Regulation S under the U.S. Securities Act (''Regulation S''). The Equity Shares are not transferable except in accordance with the restrictions described under "*Section VII: Offer Related Information—Terms of the Offer—Eligibility and Transfer Restrictions*" beginning on page 329 of this Draft Red Herring Prospectus. Purchasers in the United States or who are U.S. Persons will be required to make the representations, warranties, agreements, undertakings and acknowledgements contained in "*Section VII: Offer Related Information—Terms of the Offer—Eligibility and Transfer Restrictions—Equity Shares Offered and Sold within the United States or to U.S. Persons*" beginning on page 330 of this Draft Red Herring Prospectus. Each purchaser is hereby notified that sellers of Equity Shares may be relying on an exemption from the provisions of Section 5 of the U.S. Securities Act.

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

Until the expiry of 40 days after the date of commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the U.S. Securities Act.

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

Our Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. Our Company is relying on the exemption provided by Section 3(c)(7) of the U.S. Investment Company Act, and as a result the Equity Shares are being offered and sold in the United States and to U.S. Persons only to persons who are Entitled QPs.

Our Company may be a ''covered fund'' for purposes of the ''Volcker Rule'' contained in the Dodd-Frank Act (Section 619: Prohibitions on Proprietary Trading and Certain Relationships with Hedge Funds and Private Equity Funds). Accordingly, entities that may be ''covered banking entities'' for the purposes of the Volcker Rule may be restricted from holding the Company's securities and should take specific advice before making an investment in the Company.

Eligible Investors

The Equity Shares are being offered and sold:

i. in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), in each case only to persons that are Entitled QPs, in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and in reliance on Section 3(c)(7) under the U.S. Investment Company Act; and

ii. outside the United States to investors that are not U.S. Persons (as defined in Regulation S under the U.S. Securities Act), nor persons acquiring for the account or benefit of U.S. Persons, in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth below.

Equity Shares Offered and Sold within the United States or to U.S. Persons

Each purchaser that is a U.S. Person or acquiring the Equity Shares issued pursuant to this Offer within the United States or for the account or benefit of U.S. Persons, by a declaration included in the Bid cum Application Form and its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have represented, warranted, agreed, undertaken and acknowledged, on behalf of itself and each person for which it is acting, to the Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. it is an institution that, in the normal course of business, invests in or purchases securities similar to the Equity Shares and it, and any accounts for which it is acting, (a) are a highly sophisticated investor that have sufficient knowledge and experience in financial, business and investment matters to be capable of evaluating the merits and risks of our investments in the Equity Shares, and (b) are able to bear the economic risk, and sustain a complete loss, of such investment in the Equity Shares. It acknowledges that investment in the Equity Shares involves a certain degree of risk and that the Equity Shares could, therefore, be a speculative investment;

2. if it is acquiring the Equity Shares as a fiduciary or agent for one or more investor accounts,

    a. each such account is an Entitled QP;

    b. it has sole investment discretion with respect to each account, and

    c. it has full power and authority to make the representations, warranties, agreements, undertakings and acknowledgements contained in this section on behalf of each such account;

3. it is not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of unaffiliated issuers;

4. it was not formed for the purpose of investing in the Company;

5. it is (i) an Entitled QP, (ii) acquiring the Equity Shares for investment purposes, and not with a view to distribution of the Equity Shares, and (iii) aware, and each beneficial owner of the Equity Shares has been advised, that the sale of the Equity Shares to it is being made in a transaction exempt from the provisions of Section 5 of the U.S. Securities Act;

6. it is not a participant-directed employee plan, such as a plan described in sub-sections (a)(1)(i)(D), (E) or (F) of Rule 144A;

7. it is not managed as a device for facilitating individual investment decisions of beneficial owners, but rather is managed as a collective investment vehicle;

8. it, and each account for which it is acting, has applied for the Equity Shares in an amount of at least US$250,000 or its equivalent in another currency;

9. if it, or any person for which it is acting, is an investment company excepted from the U.S Investment Company Act pursuant to section 3(c)(1) or section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. persons) and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as an Entitled QP in the manner required by Section 2(a)(51)(C) of the U.S. Investment Company Act and the rules promulgated thereunder;

10. it, and each person for which it is acting, is not a partnership, common trust fund, or corporation, special trust, pension fund or retirement plan, or other entity, in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, may designate the particular investments to be made, or the allocation thereof unless all such partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are Entitled QPs;

11. it, and each person for which it is acting, has not invested and will not invest more than 40.0% of its assets in the Equity Shares (or beneficial interests therein) and/or other securities of the Company after giving effect to the purchase of the Equity Shares (or beneficial interests therein) (unless all of the beneficial owners of such entity's securities are Entitled QPs);

12. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares;

13. it is not taking up the Equity Shares as a result of (i) any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or any directed selling efforts (as that term is defined in Regulation S under the U.S. Securities Act); (ii) any statement or information found on any website of the Company or any of its affiliates, or of the BSE or NSE; and (iii) any statement or information found in any announcement, press release or press-related materials released by the Company, any of its affiliates or any person acting on its or their behalf;

14. neither it, nor any of its affiliates, nor any person acting on its or their behalf, has relied nor will rely upon any statement or information described in sub-paragraphs 13(ii) and 13(iii) above and that it waives, and will procure that each of its affiliates and each person acting on its or their behalf will waive, all claims with respect to any inaccuracy or omission in any such statement or information. It because aware of the offering of the Equity Shares by the Company and the Equity Shares were offered to it solely by means of the offering memorandum dated [●], relating to the Equity Shares (the "**Offering Memorandum**"), and it did not become aware of, nor were the Equity Shares offered to it by any other means, including in each case as described in sub-paragraphs 13(ii) and 13(iii), and in making the decision to purchase or subscribe to the Equity Shares, it relied solely on the information set forth in the Offering Memorandum;

15. neither it, nor any of its affiliates, nor any person acting on its or their behalf, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares or any "general solicitation" or "general advertising" (as defined in Regulation D under the U.S. Securities Act) in the United States in connection with any offer or sale of the Equity Shares;

16. (i) the Equity Shares are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the U.S. Securities Act and that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, (ii) the Company has not been and will not be registered under the U.S. Investment Company Act and related rules and (iii) that the Company has elected to impose the transfer and offering restrictions with respect to persons in the United States and U.S. Persons described herein so that the Company will qualify for the exemption provided under Section 3(c)(7) of the U.S. Investment Company Act and will have no obligation to register as an investment company under the U.S. Investment Company Act. The purchaser, and each person for which it is acting, also understands and agrees that the Company and the BRLMs shall have the right to request and receive such additional documents, certifications, representations and undertakings, from time to time, as they may deem necessary in order to comply with applicable legal requirements;

17. the Equity Shares may not be offered, sold, pledged, or otherwise transferred except (i) in an offshore transaction executed in, on or through the facilities of the BSE or NSE where neither the seller nor any person acting on its behalf knows by pre-arrangement or otherwise that the buyer is in the United States or a U.S. Person, (ii) to any person the seller and any person acting on its behalf knows to be outside the U.S. and a non-U.S. Person, or (iii) to the Company or a subsidiary thereof;

18. the Equity Shares may not be deposited into any unrestricted depositary receipt facility in respect of the Equity Shares established or maintained by a depositary bank;

19. it will not effect any sale, pledge or other transfer of the Equity Shares unless it first executes a US Resale Letter in the form of Annexure A to this Draft Red Herring Prospectus and delivers such letter to the Company prior to the settlement of any such sale, pledge or other transfer of the Equity Shares. It understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

20. the Equity Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE COMPANY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STAES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THE SECURITIES REPRESENTED HEREBY HAVE BEEN INITIALLY PLACED PURSUANT TO EXEMPTIONS FROM THE SECURITIES ACT AND THE INVESTMENT COMPANY ACT. THE SECURITIES REPRESENTED HEREBY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE TRANSACTION EXECUTED IN, ON OR THROUGH THE FACILITIES OF THE BSE OR THE NSE WHERE NEITHER THE SELLER NOR ANY PERSON ACTING ON ITS BEHALF KNOWS BY PRE-ARRANGEMENT OR OTHERWISE THAT THE BUYER IS IN THE UNITED STATES OR A U.S. PERSON, (2) TO ANY PERSON THE SELLER AND ANY PERSON ACTING ON ITS BEHALF KNOWS TO BE OUTSIDE THE U.S. AND A NON-U.S. PERSON OR (3) TO THE COMPANY OR A SUBSIDIARY THEREOF. THE SECURITIES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE COMPANY'S SECURITIES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF SECURITIES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.

THE COMPANY AND ITS AGENTS WILL NOT BE REQUIRED TO ACCEPT FOR REGISTRATION OF TRANSFER ANY SECURITIES MADE OTHER THAN IN COMPLIANCE WITH THESE RESTRICTIONS. THE COMPANY MAY REQUIRE ANY PERSON THAT HOLDS, DIRECTLY OR INDIRECTLY, ANY EQUITY SHARES (1) WHOSE OWNERSHIP OF EQUITY SHARES MAY CAUSE THE COMPANY TO BE REQUIRED TO HAVE THE COMPANY COMPLY WITH ANY REGISTRATION OR FILING REQUIREMENTS IN ANY JURISDICTION, WITH WHICH IT WOULD NOT OTHERWISE BE REQUIRED TO COMPLY, (2) WHOSE OWNERSHIP OF EQUITY SHARES MAY CAUSE THE COMPANY TO BE REQUIRED TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE U.S. INVESTMENT COMPANY ACT, OR (3) WHO IS A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) BUT WHO IS NOT A QUALIFIED PURCHASER (AS DEFINED IN SECTION 2(A)(51) OF THE U.S. INVESTMENT COMPANY ACT), TO TRANSFER ALL OR A SPECIFIED PORTION OR THE SECURITIES OR ANY SUCH BENEFICIAL INTEREST IMMEDIATELY IN A MANNER CONSISTENT WITH THESE RESTRICTIONS, AND IF THE OBLIGATION TO TRANSFER IS NOT MET, THE COMPANY AND ITS AGENTS ARE IRREVOCABLY AUTHORIZED, WITHOUT ANY OBLIGATION, TO TRANSFER THE SECURITIES IN A MANNER CONSISTENT WITH THESE RESTRICTIONS AND, IF SUCH SECURITIES ARE SOLD, THE COMPANY SHALL BE OBLIGED TO DISTRIBUTE THE NET PROCEEDS TO THE ENTITLED PARTY.

EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S PROSPECTUS DATED [●] TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

21. (i) it fully understands the limitations on ownership and transfer and the restrictions on sales of the Equity Shares described herein, and (ii) if, in the future, it offers, resells, pledges or otherwise transfers such Equity Shares, it shall notify such subsequent transferee or the executing broker, as applicable, of the restrictions set out above;

22. it will not act as a swap counterparty or other type of intermediary whereby any other party will acquire an economic interest or beneficial interest in the Equity Shares acquired or reoffer, resell, pledge or otherwise transfer the Equity Shares or any beneficial interest therein, to any person except to a person that meets all of the requirements above and who agrees not to subsequently transfer the Equity Shares or any beneficial interest therein except in accordance with these transfer restrictions;

23. (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be an Entitled QP but is not an Entitled QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing;

24. our Company may be considered a "covered fund" for purposes of the Volcker Rule. Each purchaser must make its own determination as to whether it is a banking entity subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares;

25. it has made and will make its own independent investigation and appraisal of the business, results, financial condition, prospectus, creditworthiness, status and affairs of the Company and it has made and will make its own investment decision with respect to the Equity Shares;

26. the Company, the BRLMs and their affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, agreements, undertakings and acknowledgments, including as a basis for exemption of the offer and sale of the Equity Shares under the U.S. Securities Act, the U.S. Investment Company Act, the securities laws of applicable states of the United States, and for other purposes;

27. its purchase of the Equity Shares is subject to and based upon all the terms, conditions, representations, warranties, agreements, undertakings and acknowledgements and other information contained in this Draft Red Herring Prospectus; and

28. it irrevocably authorizes the Company, its affiliates, the BRLMs and their respective affiliates and any person acting on their behalf to produce the Bid cum Application Form or a copy thereof to any interested party in any administrative or legal proceedings, dispute or official inquiry with respect to the matters covered hereby.

Equity Shares Offered and Sold outside the United States to non-U.S. Persons

Each non-U.S. Person who purchases the Equity Shares in the Offer outside the United States by a declaration included in the Bid cum Application Form and its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have represented, warranted, agreed, undertaken and acknowledged, on behalf of itself and each person for which it is acting, to the Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. it (a) is not, and is not acquiring the Equity Shares for the account or benefit of, a U.S. person, (b) is located outside the United States (within the meaning of Regulation S), and (c) is not an affiliate of the Company or otherwise acting on its or their behalf;

2. it and the person, if any, for whose account or benefit it is acquiring the Equity Shares issued pursuant to this Offer, is a non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated, and continues to be a non-U.S. Person and located outside the United States and has not purchased such Equity Shares for the account or benefit of any U.S. Person or any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any U.S. Person or any person in the United States;

3. it is acquiring Equity Shares in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. it is not taking up the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or any directed selling efforts (as that term is defined in Regulation S under the U.S. Securities Act);

5. neither it, nor any of its affiliates, nor any person acting on its or their behalf, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares or any "general solicitation" or "general advertising" (as defined in Regulation D under the U.S. Securities Act) in the United States in connection with any offer or sale of the Equity Shares;

6. (i) the Equity Shares are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the U.S. Securities Act and that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, (ii) the Company has not been and will not be registered under the U.S. Investment Company Act and related rules and (iii) that the Company has elected to impose the transfer and offering restrictions with respect to persons in the United States and U.S. Persons described herein so that the Company will qualify for the exemption provided under Section 3(c)(7) of the U.S. Investment Company Act and will have no obligation to register as an investment company under the U.S. Investment Company Act. The purchaser, and each person for which it is acting, also understands and agrees that the Company and the BRLMs shall have the right to request and receive such additional documents, certifications, representations and undertakings, from time to time, as they may deem necessary in order to comply with applicable legal requirements;

7. the Equity Shares may not be offered, sold, pledged, or otherwise transferred except (i) in an offshore transaction executed in, on or through the facilities of the BSE or NSE where neither the seller nor any person acting on its behalf knows by pre-arrangement or otherwise that the buyer is in the United States or a U.S. Person, (ii) to any person the seller and any person acting on its behalf knows to be outside the U.S. and a non-U.S. Person, or (iii) to the Company or a subsidiary thereof;

8. the Equity Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

   THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE COMPANY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STAES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THE SECURITIES REPRESENTED HEREBY HAVE BEEN INITIALLY PLACED PURSUANT TO EXEMPTIONS FROM THE SECURITIES ACT AND THE INVESTMENT COMPANY ACT. THE SECURITIES REPRESENTED HEREBY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN AN OFFSHORE TRANSACTION EXECUTED IN, ON OR THROUGH THE FACILITIES OF THE BSE OR THE NSE WHERE NEITHER THE SELLER NOR ANY PERSON ACTING ON ITS BEHALF KNOWS BY PRE-ARRANGEMENT OR OTHERWISE THAT THE BUYER IS IN THE UNITED STATES OR A U.S. PERSON, (2) TO ANY PERSON THE SELLER AND ANY PERSON ACTING ON ITS BEHALF KNOWS TO BE OUTSIDE THE U.S. AND A NON-U.S. PERSON OR (3) TO THE COMPANY OR A SUBSIDIARY THEREOF. THE SECURITIES REPRESENTED HEREBY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE COMPANY'S SECURITIES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF SECURITIES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.

   THE COMPANY AND ITS AGENTS WILL NOT BE REQUIRED TO ACCEPT FOR REGISTRATION OF TRANSFER ANY SECURITIES MADE OTHER THAN IN COMPLIANCE WITH THESE RESTRICTIONS. THE COMPANY MAY REQUIRE ANY PERSON THAT HOLDS, DIRECTLY OR INDIRECTLY, ANY EQUITY SHARES (1) WHOSE OWNERSHIP OF

EQUITY SHARES MAY CAUSE THE COMPANY TO BE REQUIRED TO HAVE THE COMPANY COMPLY WITH ANY REGISTRATION OR FILING REQUIREMENTS IN ANY JURISDICTION, WITH WHICH IT WOULD NOT OTHERWISE BE REQUIRED TO COMPLY, (2) WHOSE OWNERSHIP OF EQUITY SHARES MAY CAUSE THE COMPANY TO BE REQUIRED TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE U.S. INVESTMENT COMPANY ACT, OR (3) WHO IS A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) BUT WHO IS NOT A QUALIFIED PURCHASER (AS DEFINED IN SECTION 2(A)(51) OF THE U.S. INVESTMENT COMPANY ACT), TO TRANSFER ALL OR A SPECIFIED PORTION OR THE SECURITIES OR ANY SUCH BENEFICIAL INTEREST IMMEDIATELY IN A MANNER CONSISTENT WITH THESE RESTRICTIONS, AND IF THE OBLIGATION TO TRANSFER IS NOT MET, THE COMPANY AND ITS AGENTS ARE IRREVOCABLY AUTHORIZED, WITHOUT ANY OBLIGATION, TO TRANSFER THE SECURITIES IN A MANNER CONSISTENT WITH THESE RESTRICTIONS AND, IF SUCH SECURITIES ARE SOLD, THE COMPANY SHALL BE OBLIGED TO DISTRIBUTE THE NET PROCEEDS TO THE ENTITLED PARTY.

EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S PROSPECTUS DATED [●] TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

9. (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be an Entitled QP but is not an Entitled QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing;

10. our Company may be considered a "covered fund" for purposes of the Volcker Rule. Accordingly, banking entities that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption. Each purchaser must make its own determination as to whether it is a banking entity subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares;

11. the Company, the BRLMs and their affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, agreements, undertakings and acknowledgments, including as a basis for exemption of the offer and sale of the Equity Shares under the U.S. Securities Act, the U.S. Investment Company Act, the securities laws of applicable states of the United States, and for other purposes;

12. its purchase of the Equity Shares is subject to and based upon all the terms, conditions, representations, warranties, agreements, undertakings and acknowledgements and other information contained in this Draft Red Herring Prospectus;

13. it irrevocably authorizes the Company, its affiliates, the Managers and their respective affiliates and any person acting on their behalf to produce the Bid Cum Application Form or a copy thereof to any interested party in any administrative or legal proceedings, dispute or official inquiry with respect to the matters covered hereby; and

14. if it is acquiring the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make (and does make) the foregoing representations, warranties, arrangements, undertakings and acknowledgments on behalf of each such account.

OFFER STRUCTURE

Initial public offering of 18,500,000 Equity Shares for cash at a price of ₹ [●] per Equity Share through an Offer for Sale by the Selling Shareholders aggregating to ₹ [●] million. The Offer includes an Employee Reservation Portion of up to [●] Equity Shares aggregating to ₹ [●] million, for purchase by Eligible Employees. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the fully-diluted post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees	QIBs(1)	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment/allocation*(2)	Up to [●] Equity Shares	At least [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Investors	Not more than [●] Equity Shares available for allocation or the Net Offer less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Offer Size available for Allotment/allocation	Up to 5% of our post-Offer paid-up Equity Share capital	At least 75% of the Net Offer shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. Unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion (other than the Anchor Investor Portion)	Not more than 15% of the Net Offer	Not more than 10% of the Net Offer
Basis of Allotment/allocation if respective category is oversubscribed*	Proportionate(6)	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	Allotment to each RII shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated proportionately. For details, see "*Offer Procedure – Part B – Section 7: Allotment Procedure and Basis of Allotment – Allotment to RIIs*" on page 375
Mode of Bidding	ASBA only(3)			
Minimum Bid	[●] Equity Shares	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of	Such number of Equity	Such number of	Such number of Equity

Particulars	Eligible Employees	QIBs[(1)]	Non-Institutional Investors	Retail Individual Investors
	Equity Shares in multiples of [●] so as to ensure that the Bid Amount by each Eligible Employee does not exceed ₹ 500,000 (which will be net of Employee Discount)	Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Mode of Allotment	Compulsorily in dematerialized form			
Who can apply[(4)]	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, Mutual Funds, FPIs other than Category III FPIs, VCFs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs	Resident Indian individuals, Eligible NRIs, HUFs (in the name of *karta*), companies, corporate bodies, societies and trusts, Category III FPIs	Resident Indian individuals, Eligible NRIs and HUFs (in the name of *karta*)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidders that is specified in the ASBA Form at the time of submission of the ASBA Form[(5)]			

**Assuming full subscription in the Offer*

(1) *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see* "*Offer Procedure*" *on page* 340.

(2) *Subject to valid Bids being received at or above the Offer Price. The Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 26(2) of the SEBI ICDR Regulations.*

(3) *Anchor Investors are not permitted to use the ASBA process.*

(4) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(5) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. For details of terms of payment applicable to Anchor Investors, see* "*Offer Procedure – Part B – Section 7: Allotment Procedure and Basis of Allotment*" *on page* 374.

(6) *The initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (which will be net of any Employee Discount). In the event of under-subscription in the Employee Reservation Portion upon the initial Allotment, such*

unsubscribed portion be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion for a value in excess of ₹ 200,000 (which will be net of any Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be net of any Employee Discount).

The unsubscribed portion if any, remaining in the Employee Reservation Portion shall be added back to the Net Offer to the public. In case of under-subscription in the Net Offer, spill-over to the extent of such under subscription shall be permitted from the Employee Reservation Portion, subject to the Net Offer constituting [●]% of the fully-diluted post-Offer Equity Share capital of the Company. Employee Discount of ₹ [●] to the Offer Price may be offered to Eligible Employees Bidding in the Employee Reservation Portion. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Employee Discount

The Employee Discount, if any, will be offered to the Eligible Employees Bidding in the Employee Reservation Portion, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion Bidding at a price within the Price Band can make payment at the Bid Amount (which will be net of any Employee Discount) at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion Bidding at the Cut-Off Price have to ensure payment at the Cap Price, net of any Employee Discount, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion must ensure that the Bid Amount (which will be net of any Employee Discount) does not exceed ₹ 500,000.

Retail Discount

Subject to valid Bids being received at or above the Offer Price, our Company may, in consultation with the BRLMs, offer a Retail Discount to Retail Individual Investors in accordance with the SEBI ICDR Regulations.

OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (No. CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by the SEBI and updated circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and circular (No. SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, notified by the SEBI (the "**General Information Document**") included below under "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 26(2) of the SEBI ICDR Regulations wherein at least 75% of the Net Offer shall be allocated to QIBs on a proportionate basis, provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Net Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Investor shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be Allotted to all Retail Individual Investors on a proportionate basis. The Offer and the Net Offer shall constitute [●]% and [●]% of the fully-diluted post-Offer paid-up Equity Share capital of our Company, respectively.

The unsubscribed portion, if any, remaining in the Employee Reservation Portion shall be added back to the Net Offer to the public. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation portion to the Net Offer, subject to the Net Offer constituting [●]% of the fully-diluted post-Offer Equity Share capital. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges. Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account,

including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and at the Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date. The Bid cum Application Form for Eligible Employees Bidding in the Employee Reservation Portion will be available only at our Registered Office.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorization to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. ASBA Bidders are also required to ensure that the ASBA Account specified has sufficient credit balance equivalent to the full Bid Amount as required to be blocked by the SCBS at the time of submitting the Bid.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs at least one day prior to the Anchor Investor Bidding Date.

The prescribed color of the Bid cum Application Form for the various categories is set forth below.

Category	**Color of Bid cum Application Form***
Resident Indians and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

* *Excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has the ASBA bank account, details of which shall be provided by the Bidder in its ASBA Form, and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s).

Participation by our Promoters, the Promoter Group, the BRLMs, the Syndicate Members and Persons Related to the Promoters/Promoter Group/BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such purchase may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), our Promoters, members of our Promoter Group or any persons related to our Promoters or members of our Promoter Group can apply in the Offer under the Anchor Investor Portion.

Our Promoters and the members of our Promoter Group shall not participate in the Offer other than the sale of Equity Shares by the Selling Shareholders in the Offer.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason therefor.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in color). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in color).

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI is required to be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together is not permitted to exceed 24% of the paid-up equity share capital of a company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution adopted by the board of directors followed by a special resolution adopted by the shareholders of a company and subject to prior intimation to RBI.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The FEMA Regulations also provide that in case the total holding of an FPI in an Indian company increases to 10% or more of the total paid-up equity capital on a fully-diluted basis, the total investment made by the FPI shall be re-classified as FDI subject to the conditions as specified by the SEBI and the RBI and compliance by the investee company and the investor with the reporting requirements prescribed under the FEMA Regulations. The existing individual and aggregate investment limits for an FPI in our Company are less than 10% and not exceeding 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPIs and unregulated broad based funds, which are classified as Category II FPIs by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, or unlisted debt securities or securitized debt instruments as its underlying assets) directly or indirectly, only in the event:

(i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority;

(ii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and

(iii) such offshore derivative instruments shall not be issued to or transferred to persons who are resident Indians or non-resident Indians or to entities that are beneficially owned by resident Indians or non-resident Indians.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by SEBI-registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations prescribe, *inter alia*, the investment restrictions on the VCFs, FVCIs and AIFs registered with the SEBI. The holding by any individual VCF in one venture capital undertaking should not exceed 25% of the investible funds of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIFs and Category II AIFs cannot invest more than 25% of the corpus in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by Limited Liability Partnerships

In case of Bids 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 Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason therefor.

Bids by Banking Companies

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason therefor. The investment limit for banking companies in non-financial services companies is as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended (the "**2016 RBI Directions**"). Banking companies participating in the Offer are advised to refer to the Banking Regulation Act and the 2016 RBI Directions for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by the RBI from time to time.

Bids by Eligible Employees under the Employee Reservation Portion

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price. Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).

(b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 (which will be net of any Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (which will be net of any Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employee Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (which will be net of any Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (which will be net of any Employee Discount).

(c) The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.

(d) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.

(e) Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category.

(f) Eligible Employees can apply at Cut-off Price.

(g) Bid by Eligible Employees can be made also in the "Net Offer to the Public" and such Bids shall not be treated as multiple Bids.

(h) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(i) Under-subscription, if any, remaining in the Employee Reservation Portion will be added back to the Net Offer to the public. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting [●]% of the fully-diluted post-Offer Equity Share capital of the Company. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

Employee Discount of ₹ [●] to the Offer Price may be offered to Eligible Employees Bidding in the Employee Reservation Portion.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with the RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from the statutory auditors of the Systemically Important NBFC, and (iv) such other approval as may be required by the approval Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason therefor.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason therefor.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason therefor.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLMs, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

Do's:

A. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals

B. Ensure that you have Bid within the Price Band;

C. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

D. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

E. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;

F. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

G. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

H. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

I. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

J. Ensure that you request for and receive a stamped Acknowledgment Slip of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

K. Ensure that you submit the revised Bids to the same Designated Intermediary through whom the original Bid was placed, and obtain a revised Acknowledgment Slip;

L. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular (No. MRD/DoP/Cir-20/2008) dated June 30, 2008 issued by the SEBI, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

M. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

N. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

O. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., the relevant documents are submitted;

P. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

Q. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and

R. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid; and

S. Ensure that the Demographic Details are updated, true and correct in all respects.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

A. Do not Bid for lower than the minimum Bid size;

B. Do not Bid/revise the Bid Amount to less than the Floor Price or higher than the Cap Price;

C. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Investors);

D. Do not Bid for a Bid Amount exceeding ₹ 500,000 (for Bids by Eligible Employees Bidding in the Employee Reservation Portion);

E. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

F. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

G. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only; do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;

H. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

I. Do not submit the Bid for an amount more than funds available in your ASBA account;

J. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

K. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms;

L. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a color prescribed for another category of Bidder;

M. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

N. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

O. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

P. Do not submit more than five Bid cum Application Forms per ASBA account;

Q. Anchor Investors should not bid through the ASBA process; and

R. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favor of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi also being the regional language of New Delhi, where our Registered Office is located), each with wide circulation. In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalization of the Offer Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size and underwriting arrangements and will be complete in all material respects.

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 a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***

(c) ***otherwise induces 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.***"

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1.0 million or 1.0% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud (i) involves an amount which is less than ₹ 1.0 million or 1.0% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 2.0 million or both.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- intimation of the credit of the securities/refund orders to Eligible NRIs shall be despatched within specified time; and
- no further issue of the Equity Shares shall be made until the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, and so on.

Undertakings by the Selling Shareholders

Each of the Selling Shareholders, severally and not jointly, undertakes the following:

- they are the legal and beneficial owners of the respective Equity Shares offered by them in the Offer;

- the respective portions of the Equity Shares offered by them in the Offer are free and clear of any encumbrances and shall be transferred to the successful Bidders within the time specified under applicable law;

- they have authorized our Company to take such necessary steps in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by them in the Offer;

- they shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges; and

- they shall comply with all applicable laws, including the Companies Act, the SEBI ICDR Regulations, the FEMA and all applicable circulars, guidelines and regulations issued by the SEBI and the RBI, each in relation to respective portion of the Equity Shares offered by them in the Offer to the extent that such compliance is the obligation of the Selling Shareholders.

Utilization of Offer Proceeds

The Selling Shareholders certify that all monies received out of the Offer 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.

Part B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**")/Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see "*Glossary and Abbreviations*".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 INITIAL PUBLIC OFFER (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an offer for sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 FURTHER PUBLIC OFFER (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include offer for sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter alia* required to comply with the eligibility requirements in terms of Regulation 26/Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 OTHER ELIGIBILITY REQUIREMENTS:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 TYPES OF PUBLIC OFFERS – FIXED PRICE OFFERS AND BOOK BUILT OFFERS

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

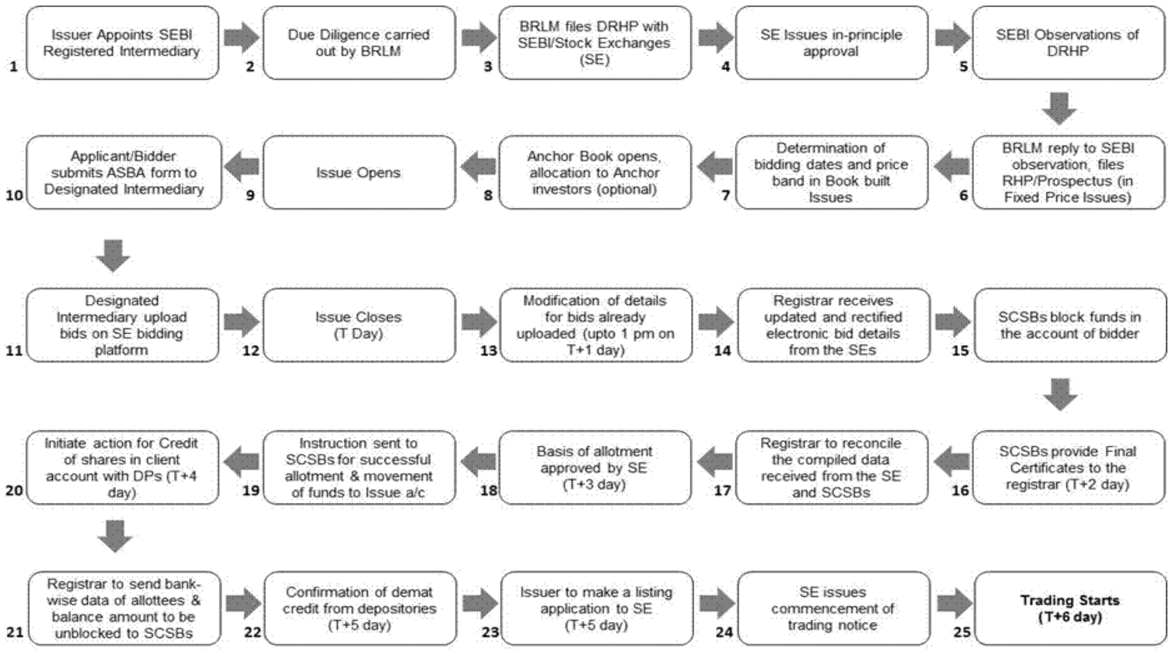
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding ten Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
    - i. Step 7: Determination of Issue Date and Price
    - ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries.



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is set forth below.

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares;
- Scientific and/or industrial research organizations authorized in India to invest in the Equity Shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and

- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders/Applicants should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of the Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centers and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders/Applicants may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Designated Branches of the SCSBs and at the Registered Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category, if any	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below. The samples of the Bid cum Application Form for resident Bidders/Applicants and the Bid cum Application Form for non-resident Bidders/Applicants are reproduced below:

Application Form – For Residents

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : .... Contact Details: .... CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - M F
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date :	I/We authorise the SCSB to do all acts as are necessary to make the Application in the Issue 1) 2) 3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) Bank & Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE — PLEASE FILL IN BLOCK LETTERS — TEAR HERE

Application Form – For Non – Residents

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

Address : .... Contact Details: .... CIN No ....

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

- NRI Non-Resident Indian(s) (Repatriation basis)
- FII FII or Sub-account not a Corporate/Foreign Individual
- FIISA FII Sub-account Corporate/Individual
- FVCI Foreign Venture Capital Investor
- FPI Foreign Portfolio Investors
- OTH Others (Please Specify)________

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date : ________

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) | Bank & Branch | Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

ASBA Bank cum A/c No.

Bank & Branch

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/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 a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces 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.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1.0 million or 1.0% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud (i) involves an amount which is less than ₹ 1.0 million or 1.0% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 2.0 million or both.

(d) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective CDP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids by Bidders/Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.

(c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.

(d) Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five

Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders/Applicants may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders/Applicants may Bid at Floor Price or any price above the Floor Price (For further details Bidders/Applicants may refer to (Section 5.6 (e)).

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders/Applicants may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder/Applicant may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder/Applicant does not exceed ₹ 200,000.

(b) Bids by Employees must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by such Bidder does not exceed ₹ 500,000. However, Allotment to the Employees under the Employee Reservation Portion may exceed ₹ 200,000 (which will be less employee discount) only in the event of an under-subscription in the employee reservation portion and such unsubscribed portion may be allotted on a proportionate basis to Employees Bidding in the employee reservation portion, for a value in excess of ₹ 200,000, subject to total Allotment to an Employee not exceeding ₹ 500,000 (which will be less the employee discount).

(c) In case the Bid Amount exceeds ₹ 200,000 (except Bids by Employees under the Employee Reservation Portion), due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount, if any), then such Bid may be rejected if it is at the Cut-off Price.

(d) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(e) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut-off Price.

(f) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 100 million. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(h) A Bid cannot be submitted for more than the Issue size.

(i) The maximum Bid by any Bidder/Applicant including QIB Bidder/Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(j) The price and quantity options submitted by the Bidder/Applicant in the Bid cum Application Form may be treated as optional bids from the Bidder/Applicant and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders/Applicants may refer to (Section 5.6 (e)).

4.1.4.2 **Multiple Bids**

(a) Bidder/Applicant should submit only one Bid cum Application Form. Bidder/Applicant shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders/Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders/Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder/Applicant and may be rejected.

ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders/Applicants, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i Bids by Reserved Categories (if any) Bidding in their respective Reservation Portion (if any) as well as bids made by them in the Net Issue portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS/APPLICANTS

(a) The categories of Bidders/Applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders/Applicants may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicant are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicant should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorization provided in the ASBA Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder/Applicant. In case of Bidders/Applicant specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bidders/Applicant who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.

(c) All Bidders/Applicants (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheques or demand drafts through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by RTGS, direct credit, NACH or NEFT.

(c) The Escrow Collection Bank(s) shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders/Applicants:**

(a) Bidders/Applicants may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders/Applicants must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, cheques, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders/Applicants should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders/Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders/Applicants should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Brokers at the Broker Centers, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) Bidders/Applicants bidding through a Designated Intermediary (other than an SCSB) should note that ASBA Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit ASBA Forms.

(h) Bidders/Applicants bidding directly through the SCSBs should ensure that the ASBA is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

(o) Additional payment instructions for Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis must use the Bid cum Application Form for residents (white in color) and make payment through the NRO Account. Eligible NRIs Bidding on a repatriation basis must use the Bid cum Application Form meant for Non-Residents (blue in color). In the case of Bids by Eligible NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.3 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

4.1.7.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders/Applicants applying under RII category, Retail Individual Shareholder and Employees are only eligible for discount. For Discounts offered in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(c) The Bidders/Applicants entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than ₹ 0.2 million, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORIZATIONS

(a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorization/undertaking box in the ASBA Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder and/or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders/Applicants should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids/Applications made in the Issue may be addressed as under:

i. in case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, refund intimations, the Bidders should contact the Registrar to the Issue;

ii. in case of Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch;

iii. in case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member;

iv. in case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker;

v. in case of Bids submitted to the RTA, the Bidders should contact the relevant RTA;

vi. in case of Bids submitted to the CDP, the Bidders should contact the relevant CDP; and

vii. for any other complaints in relation to the Issue, the Bidders may contact our Company Secretary and Compliance Officer or the BRLMs.

(c) The following details (as applicable) should be quoted while making any queries:

i. full name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for and amount paid on application;

ii. name and address of the Designated Intermediary, where the Bid was submitted;

iii. in case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked; and

iv. in case of Bids by Anchor Investors, details of direct credit and name of the issuing bank.

(d) Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

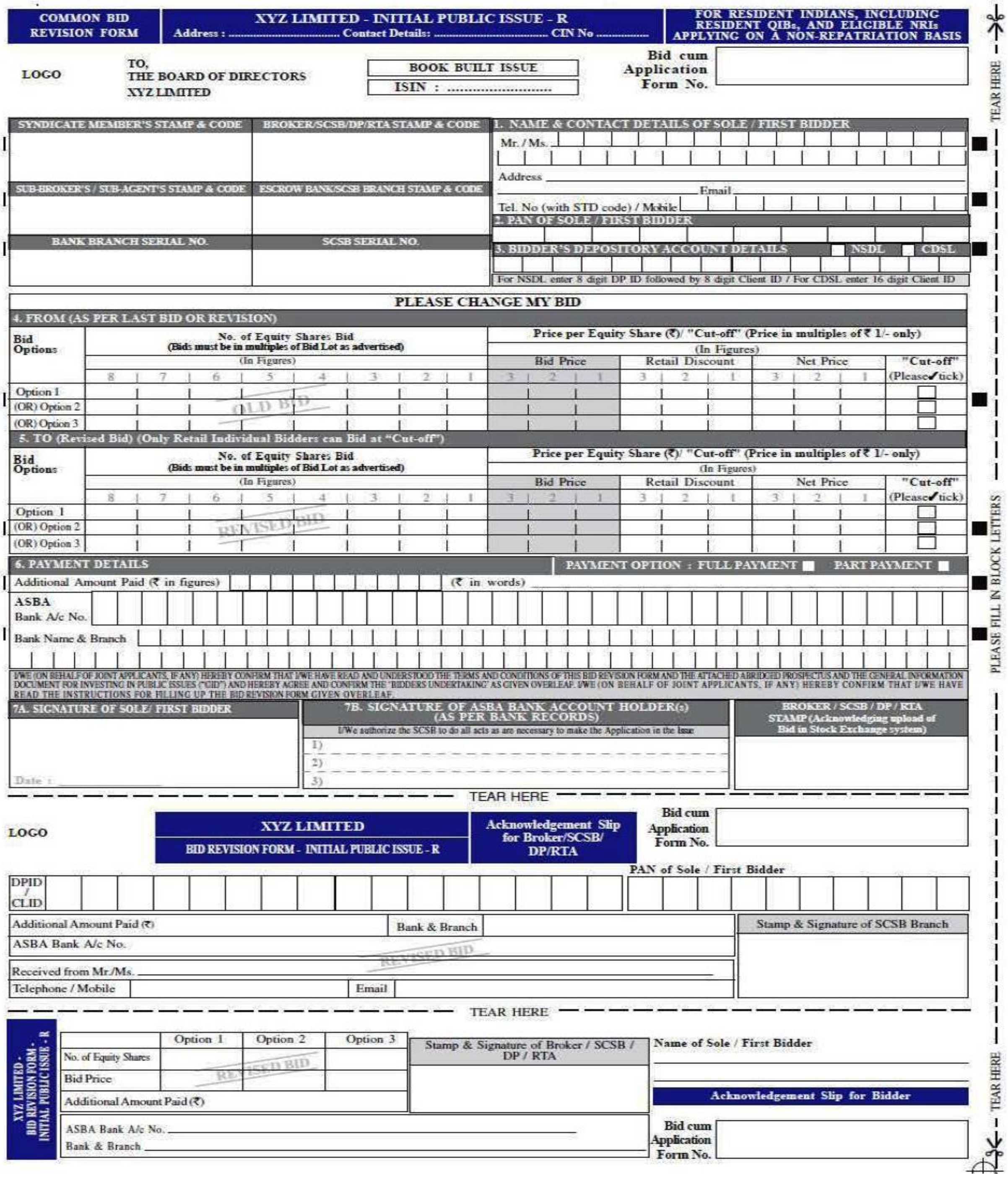
(a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their bids or withdraw their Bids till the Bid/Issue Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:



COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) 8 7 6 5 4 3 2 1	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price 3 2 1	Retail Discount 3 2 1	Net Price 3 2 1	"Cut-off" (Please ✔ tick)
Option 1					
(OR) Option 2	OLD BID				
(OR) Option 3					

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) 8 7 6 5 4 3 2 1	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price 3 2 1	Retail Discount 3 2 1	Net Price 3 2 1	"Cut-off" (Please ✔ tick)
Option 1					
(OR) Option 2	REVISED BID				
(OR) Option 3					

6. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹) | Bank & Branch | Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

REVISED BID

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares		REVISED BID	
Bid Price			
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

(a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if an Applicant has Bid for three options in the Bid cum Application Form and such Applicant is changing only one of the options in the Revision Form, the Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case of revision in Bids by Employees under the Employee Reservation Portion, such Employees shall ensure that the Bid Amount, subsequent to revision does not exceed ₹ 500,000. In the case of under-subscription in the Employee Reservation Portion, the unsubscribed portion may be Allotted on a proportionate basis for a value in excess of ₹ 200,000, subject to total allotment to an employee not exceeding ₹ 500,000. In case the Bid Amount exceeds ₹ 200,000, except Bids by Employees under the Employee Reservation Portion, due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion (if any), who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the Allotment is finalized.

4.2.3 FIELD 6: PAYMENT DETAILS

(a) All Bidders/Applicants are required to authorize blocking of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Applicant specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Applicant may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, except Bids by Employees under the Employees Reservation Portion, wherein the application amount shall not exceed ₹ 500,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after finalization of Basis of Allotment.

4.2.4 FIELD 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING BID CUM APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

(a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However, a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000 and application by Employees must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 500,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application form and the Prospectus, or as advertized by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Bid cum Application Form. Submission of a second Bid cum Application Form to either the same or other SCSB and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.

ii. For applications from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Bid cum Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories (if any) in their respective reservation portion (if any) as well as that made by them in the Net Issue portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RIIs and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to use ASBA for applying in the Issue.

(b) Application Amount cannot be paid in cash, cheque, demand draft, through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraph 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraph 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraph 4.1.7.2.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORIZATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM

4.4.1 **Bidders/Applicant may submit completed Bid cum application form/Revision Form in the following manner:**

Mode of Application		Submission of Bid cum Application Form
Anchor Investors Application Form	1)	To the Book Running Lead Managers at the locations mentioned in the Anchor Investor Application Form
ASBA Form	(a)	To Members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centers or the RTA at the Designated RTA Location or the CDP at the Designated CDP Location
	(b)	To the Designated Branches of the SCSBs

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalized after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 1:00 P.M. on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding Centers during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after finalization of Basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

   i. the Bids accepted by the Designated Intermediary,

   ii. the Bids uploaded by the Designated Intermediary, and

   iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders/Applicants, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs & RIIs can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalization of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, *inter alia*, on the following grounds, which have been detailed at various placed in this GID:-

a. Bids by OCBs;

b. In case of partnership firms, Bid for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

c. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum Application Form;

d. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

e. Bids by any person outside India if not in compliance with applicable foreign and Indian laws;

f. PAN not mentioned in the Bid cum Application Form, except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

g. In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

h. Bids for lower number of Equity Shares than the minimum specified for that category of investors;

i. Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;

j. Bids at Cut-off Price by NIIs and QIBs;

k. The amounts mentioned in the Bid cum Application Form do not tally with the amount payable for the value of the Equity Shares Bid for;

l. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

m. Submission of more than five ASBA Forms as through a single ASBA Account;

n. Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

o. Multiple Bids as defined in this GID and the RHP/Prospectus;

p. Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

q. Where no confirmation is received from SCSB for blocking of funds;

r. Bids by Bidders/Applicants (other than Anchor Investors) not submitted through ASBA process;

s. Bids submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

t. Bids not uploaded on the terminals of the Stock Exchanges;

u. Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form; and

v. Bids/Applications by persons in the United States or by U.S. Persons who have not confirmed the declaration included in the Bid cum Application Form confirming the representations, warranties, agreements, undertakings and acknowledgments contained under the heading "*Section VII: Offer Related Information—Terms of the Offer—Eligibility and Transfer Restrictions—Equity Shares Offered and Sold within the United States or to U.S. Persons*".

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.

(b) Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under-subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion (if any) to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) Illustration of the Book Building and Price Discovery Process

Bidders/Applicants should *note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.*

Bidders/Applicants can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from Bidders/Applicants, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, may finalize the issue price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) Alternate Method of Book Building

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder/Applicant with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder/Applicant is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders/Applicants is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder/Applicant, decide whether a Bidder/Applicant be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder/Applicant be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Bid cum Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit a Bid cum Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Bid cum Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be

Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any offer for sale of specified securities). However, in case the Issue is in the nature of offer for sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the BRLMs, subject to compliance with the following requirements:

i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹ 2,500 million, and an additional ten Anchor Investors for every additional 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Issue.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Issue Price is higher than the Anchor Investor Issue Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVERSUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalize the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders/Applicants may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders/Applicants in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders/Applicants may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder/Applicant in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder/Applicant, the Allotment may be made as follows: the successful Bidders/Applicants out of the total Bidders/Applicants for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder/Applicant may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalized by the Issuer;

(e) If the proportionate Allotment to a Bidder/Applicant is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded to the lower whole number. Allotment to all Bidders/Applicants in such categories may be arrived at after such rounding; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders/Applicants in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders/Applicants in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders/Applicants applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders/Applicants applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalized.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 0.5 million but which may extend to ₹ 5 million and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 0.3 million, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of offer for sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders/Applicants, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid and also for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders or transmit refund by way of electronic mode for all amounts payable to unsuccessful Anchor Investors and also any excess amount paid on bidding.

(c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Bidders'/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NACH—**National Automated Clearing House is a consolidated system of electronic clearing system. Payment of refunds would be done through NACH for Anchor Investors having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(d) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where **clearing houses are managed by the RBI, may have the option to receive refunds, if any,** through RTGS.

Please note that refunds through the above-mentioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum, if the Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner. Instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
ASBA Bidder/Applicant	All Bidders/Applicants except Anchor Investors
Banker(s) to the Issue/Escrow Collection Bank(s)/Collecting Banker	Banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	Basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder/Applicants pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application

Term	Description
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicants upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Closing Date
Bid/Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Period
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centers	Broker centers notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalized and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalized by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidders'/Applicants' address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders/Applicants can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which our Board may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the offer for sale
Designated Intermediaries	Members of the Syndicate, sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders/Applicants, in relation to the Issue

Term	Description
Designated RTA Locations	Such locations of the RTAs where Bidders/Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favor the Anchor Investors may transfer money through NEFT, direct credit, NACH or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalized and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public issue of Equity Shares of the Issuer including the Offer For Sale if applicable
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders/Applicants other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Locations	Bidding centers where the syndicate shall accept ASBA Forms from Bidders/Applicants
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion (if any)
Non-Institutional Investors or NIIs	All Bidders/Applicants, including FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI

Term	Description
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders.
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertized, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	Date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	Prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	Bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the Members of the Syndicate
Registrar to the Issue/RTO/Registrar	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion (if any)
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009 (if any)
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹ 200,000
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders/Applicants in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Specified Locations	Bidding centers where the Syndicate shall accept Bid cum Application Forms
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus

Term	Description
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement among the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than the second and fourth Saturdays of each month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, when referring to (a) announcement of Price Band; and (b) Bid/Issue Period, the term shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The following comprise the Articles of Association of the Company and were adopted pursuant to a resolution adopted by our Shareholders at the extraordinary general meeting of the Company held on June 18, 2018 in substitution for, and to the entire exclusion and replacement of, the earlier regulations comprised in the Articles of Association of the Company that were in effect prior to the date of such Shareholders' resolution.

PRELIMINARY

1. The regulations contained in 'Table F' of the First Schedule of the Act (as defined below) shall not apply to the Company (as defined below), except so far as such regulations are reproduced or contained in or expressly made applicable by these Articles (as defined below) or the Act and are not inconsistent with these Articles.

DEFINITIONS AND INTERPRETATION

2. In the interpretation of these Articles, the following words and expressions shall have the following meanings, unless repugnant to the subject or context thereof:

"**Act**" means the Companies Act, 2013, to the extent notified, and the provisions of the Companies Act, 1956, to the extent in force, as applicable, including any statutory modification or amendment thereto, or re-enactment thereof, together with the Rules made thereunder.

"**Applicable Law**" means any statute, law, ordinance, rule, administrative interpretation, regulation, approval, press note, order, writ, injunction, directive, judgment or decree issued by any government or any of its ministries, departments, secretariats, agencies or any legislative body, court and tribunal, whether at the central, state or municipal/local level, and includes, without limitation, the Act.

"**Articles**" means these articles of association of the Company, as amended or replaced.

"**Auditors**" means and includes those persons appointed as such, for the time being, by the Company to discharge the duties of auditors under the Act.

"**Beneficial Owner**" means a beneficial owner as defined under Section 2(1)(a) of the Depositories Act.

"**Board**" means the board of directors of the Company, or any duly constituted committee thereof, as the context may require.

"**Central Government**" means the central Government of India acting through the Ministry of Corporate Affairs or such other ministry or department as the context may require.

"**Company**" means Aakash Educational Services Limited, a public company limited by shares, incorporated under the Act.

"**Companies Act, 1956**" means the Companies Act, 1956, and the rules made thereunder, each as amended, and to the extent not replaced by the Companies Act, 2013 and for the time being in force.

"**Companies Act, 2013**" means the Companies Act, 2013, and the Rules made thereunder, each as amended, and to the extent notified and for the time being in force.

"**Depositories Act**" means the Depositories Act, 1996, as amended.

"**Depository**" means a depository as defined under Section 2(1)(e) of the Depositories Act.

"**Director**" means any duly appointed director of the Company, including an additional, alternate and nominee director.

"**Equity Shares**" means the fully paid-up equity shares of the Company of such face value as mentioned in clause V of the Memorandum of Association of the Company or any other issued share capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares of the Company.

"**General Meeting**" means a general meeting of the Members, whether an annual general meeting or an extraordinary general meeting, in terms of the Act.

"**Independent Director**" means a Director appointed in accordance with Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"**Member**" means the registered holder of Shares, whose name is entered as such in the Register of Members and includes a Beneficial Owner of Shares in the records of any Depository of the Company.

"**Memorandum**" means the memorandum of association of the Company, as amended.

"**Postal Ballot**" includes voting by Members by postal or electronic mode instead of voting personally by being present for transacting businesses in a General Meeting of the Company.

"**Register of Members**" means the register of Members maintained by the Company pursuant to the Act with details of the Members holding Shares, and shall include the register of Beneficial Owners maintained by a Depository under the Depositories Act.

"**Registrar of Companies**" means the 'Registrar' (in terms of Section 2(75) of the Companies Act, 2013) of the state in which the registered office of the Company is for the time being situated.

"**Rules**" means the applicable rules for the time being in force as prescribed under the provisions of the Act.

"**Securities**" means securities as defined under Section 2(h) of the Securities Contracts (Regulation) Act, 1956, as amended.

"**Seal**" means the common seal of the Company.

"**Shares**" means all securities issued by the Company including Equity Shares and any other preference or equity related or convertible securities.

3. Unless the context otherwise requires:

3.1. Words or expressions contained in these Articles shall bear the same meanings as in the Act.

3.2. All references in these Articles to statutory provisions shall be construed as meaning and including references to:

3.2.1 any statutory modification, consolidation or re-enactment for the time being in force or made any time hereafter; and

3.2.2 all statutory instruments or orders made pursuant to a statutory provision.

3.3. A reference to any document is to such document as amended, consolidated, supplemented, novated or replaced from time to time.

3.4. Words denoting the singular shall include the plural and *vice versa* and words denoting any gender shall include all genders.

3.5. Reference to days, months and years are to Gregorian days, months and calendar years respectively.

3.6. The *ejusdem generis* (of the same kind) rule will not apply to the interpretation of these Articles and the words “include” and “including” are to be construed without limitation.

3.7. The expressions “hereof”, “herein” and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Articles or provision in which the relevant expression appears.

3.8. Where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings.

3.9. References to writing include any mode of reproducing words in a legible and non-transitory form.

3.10. References to “Rupees” and “Rs.” are references to the lawful currency of India.

3.11. The headings in these Articles are for convenience only and shall not affect the interpretation of any operative provisions.

CAPITAL

4. The authorized share capital of the Company shall be as stated in Clause V of the Memorandum of Association of the Company.

Alteration of Share Capital

5. The Company shall have the power to alter the Memorandum in a General Meeting to increase, consolidate, divide, sub-divide, convert into stock and cancel any Shares in accordance with the provisions of the Act, and subject to and in accordance with the provisions of the Act, to vary the rights attached to the Shares of any class.

6. Subject to the provisions of the Act and the receipt of necessary approvals (if any), the Company may, from time to time, at a General Meeting, by an ordinary resolution, alter the Memorandum to:

(a) increase its share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution;

(b) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

(c) convert all or any of its fully paid-up Shares into stock and *vice versa*;

(d) sub-divide its Shares, or any of them, into Shares of smaller amount, such that 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 case of the Share from which the reduced Share is derived; or

(e) cancel any Shares which, at the date of passing of the relevant resolution, 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. A cancellation of Shares pursuant to this Article shall not be deemed to be a reduction of the share capital within the meaning of the Act.

7. Whenever the Company shall do any one or more of the things provided for above, the Company shall, thereafter give notice thereof to the Registrar of Companies specifying, as the case may be, the Shares consolidated, divided, sub-divided or cancelled within the time specified under the Act.

8. Where Shares are converted into stock:

(a) the holders of stock may transfer such stock or any part thereof in the same manner as, and subject to the same regulations under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose;

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock, which would not, if existing in Shares, have conferred that privilege or advantage; and

(c) such of these Articles as are applicable to paid-up Shares shall apply to stock.

Power to Issue Preference Shares

9. Subject to the provisions of the Act, the Company shall have the power to issue preference Shares in one or more series, which are, at the option of the Company, liable to be redeemed, provided that a special resolution prescribing the manner, terms and conditions of such redemption shall be passed by the Company prior to issue of such preference Shares.

Modification of Rights

10. (1) Whenever the share capital of the Company, by reason of the issue of preference Shares or otherwise, is divided into different classes of Shares, all or any of the rights attached to any such class may, subject to the provisions of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourths of the issued Shares of that class or with sanction of a special resolution passed at a General Meeting of the holders of the issued Shares of that class, and all the provisions hereafter contained as to a General Meeting shall also apply to every such meeting, but such that the necessary quorum shall be at least two persons holding at least one-third of the issued Shares of the class in question. This Article 10(1) shall not derogate from any power the Company would have if this Article 10(1) was omitted.

(2) The rights conferred upon the holders of the Shares (including preference Shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed to not be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further Shares ranking *pari passu* therewith.

Buy Back

11. The Company may buy back any number of its issued and outstanding Shares and any other Securities, subject to such limits, upon such terms and conditions and subject to such approvals as may be required under the Act, the Rules or any other Applicable Law.

Reduction of Capital

12. Subject to the provisions of the Act and receipt of necessary approvals, the Company may, at a General Meeting, from time to time, by special resolution, reduce in any manner for the time being authorized by Applicable Law, its share capital, its capital redemption reserve account, if any or its securities premium account, if any.

Commission on Issue of Shares

13. (1) Subject to the provisions of the Act read with the applicable Rules, the Company may exercise the powers of paying commission on issue of Shares conferred under the Act, provided that the rate or amount of commission is disclosed in accordance with the requirements of the Act, and the rate not exceeding the limits prescribed under the Act.

(2) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid-up Shares or partly in the one way and partly in the other.

<u>SHARES AND CERTIFICATES</u>

Further Issue of Shares

14. (1) The Board and/or the Company, as the case may be, may in accordance with and subject to the provisions of the Act and these Articles, offer further Shares to:

(a) persons who, at the date of the offer, are holders of the Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares by sending a letter of offer subject to the following conditions:

(i) such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than 15 days and not exceeding 30 days from the date of the offer, within which the offer, if not accepted, will be deemed to have been declined;

(ii) such offer shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him in favor of any other person and the notice referred to in Article 14(1)(a)(i) above shall contain a statement of this right; and

(iii) after expiry of the time specified in the above-mentioned notice or on receipt of earlier intimation from the person to whom such notice was given that he declines to accept the Shares offered, the Board may dispose of such Shares in such manner, which is not disadvantageous to the Company and the Members.

(b) employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to the Act, the Rules and such other conditions as may be prescribed under Applicable Law; or

(c) any persons, if such offer is authorized by a special resolution (whether or not those persons include the persons referred to in Article 14(1)(a) or Article 14(1)(b) above) either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer, subject to such conditions as may be prescribed in the Act.

(2) The notice referred to in Article 14(1)(a)(i) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing holders of Shares of the Company at least three (3) days before the opening of the issue.

(3) Nothing in Article 14(1)(a)(ii) shall be deemed to:

(a) extend the time within which such offer should be accepted; or

(b) authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favor the renunciation was first made has declined to accept the Shares comprised in such renunciation.

(4) Nothing in this Article 14 shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into Shares of the Company, provided that the terms of issue of such debentures or loans containing such an option have been approved prior to the issue of debentures or raising of loans by way of a special resolution passed by the Company in a General Meeting.

(5) Except in so far as otherwise provided as existing capital by the conditions of issue or by these Articles, any share capital raised by the creation of new Shares, shall be considered as part of the existing share capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. Unless otherwise stated, all new Shares of the same class shall rank *pari passu* with existing Shares of that class.

Issue of Bonus Shares

15. Subject to the provisions of the Act, the Company may , issue fully paid-up bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account. Provided that no issue of bonus shares shall be made by capitalizing reserves created by revaluation of assets.

Issue of Debentures

16. Any debentures, debenture-stock or other securities may be issued by the Company at par or at discount or premium, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in a General Meeting by a special resolution and subject to the provisions of the Act.

Shares at the Disposal of the Board

17. Subject to the provisions of the Act and these Articles, the Shares for the time being shall be under the control of the Board, which may issue, allot or otherwise dispose of the Shares or any of them to such persons, in such proportion, on such terms and conditions, either at a premium or at par or at a discount (subject to compliance with the provisions of the Act), at such time as it may from time to time deem fit, and with the sanction of the Company in a General Meeting, to give to any person or persons the option or right to call for any Shares, either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Notwithstanding the foregoing, the option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting.

Issue of Certificates; Register of Members

18. (1) Each Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in the name of such Member, or if the Board so approves (upon paying such fee as the Board may from time to time determine), to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the

conditions of issue thereof otherwise provide or unless prohibited by Applicable Law, or within one months from the receipt of an application for registration of a transfer, transmission, sub-division, consolidation or renewal of any of its Shares, as the case may be.

(2) Every certificate of Shares shall be under the Seal, if any, and shall specify the number, distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Board may prescribe or approve, provided that in respect of Shares held jointly by several persons, the Company shall not be required to issue more than one certificate and delivery of a certificate of Shares to one of several joint holders shall be sufficient delivery to all such holders.

(3) Notwithstanding anything contained herein, the Company shall be entitled to dematerialize, pursuant to the provisions of the Depositories Act, its Shares, debentures and other Securities, and offer Securities for subscription in dematerialized form.

(4) The Company shall maintain a Register of Members with the details of Members holding physical Shares in such form and any manner as permitted by Applicable Law in accordance with the provisions of the Act.

(5) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of Shares or whose name appears as the Beneficial Owner of Shares in the records of a Depository of the Company as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as may be required by Applicable Law) be bound to recognize any holding of any Share upon any trust or equity or equitable, contingent, future, partial or other claim or interest in such Share on the part of any other person, whether or not it shall have express or implied notice thereof.

(6) All Shares held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Section 89 of the Companies Act, 2013 shall apply to a Depository in respect of the Shares held by it on behalf of the Beneficial Owners.

(7) The Company shall be entitled to maintain in any country outside India a part of the Register of Members or holders of other Securities containing the names and particulars of such Members or holders of other Securities resident in that country.

(8) The provisions of the foregoing Articles relating to issue of certificates shall also apply to issue of certificates for any other Securities including debentures (except where the Act otherwise requires) of the Company.

Issue of New Certificates

19. (1) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer then upon production and surrender of the relevant certificates to the Company, new certificates may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(2) Notwithstanding Article 19(1) above, the Board shall comply with Applicable Law including the rules or regulations or requirements of any stock exchange, the rules made under the Act and the rules made under the Securities Contracts (Regulation) Act, 1956, as amended.

(3) The provisions of this Article 19 shall *mutatis mutandis* apply to any Securities of the Company.

Board may Refuse to Register Transfer

20. Subject to the provisions of the Act, these Articles, any listing agreement entered into with any recognized stock exchange and other Applicable Law, the Board may refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to or interest in any Shares or any other Securities. The Company shall, within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has a lien on the Shares or other Securities, provided however, that the Board may decline to register or acknowledge any transfer, whether fully paid-up or not, if the transfer results in, or is perceived to or may result in, a contravention or violation of any foreign investment limit or restriction under Applicable Law as applicable to the Company, and further, that the decision of the Board or any persons designated by the Board with respect to whether the transfer results in, or is perceived to or may result in, a contravention or violation of any foreign investment limit or restriction under Applicable Law as applicable to the Company shall be final and binding in all respects.

Form or Instrument of Transfer

21. (1) There shall be a common form of transfer of Shares in use. The instrument of transfer shall be in writing and the provisions of Section 56 of the Companies Act, 2013 in respect of transfer of Shares and registration thereof shall be duly complied with.

(2) In the case of transfer of Shares or other marketable Securities, where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic form, the provisions of the Depositories Act shall apply.

(3) The instrument of transfer of any Share in the Company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the Register of Members in respect thereof.

Transmission of Shares

22. Upon the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives, where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the Shares. Nothing in this Article 22 shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by him with other persons.

23. Any person becoming entitled to a Share as a consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either to be registered himself as Member; or to make such transfer of the Share as the deceased or insolvent Member could have made. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.

24. If the person so becoming entitled shall elect to be registered as a Member himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

25. A person becoming entitled to a Share by reason of the death or insolvency of the holder thereof shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

No Fee on Transfer or Transmission

26. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or other similar document.

Calls on Shares

27. (1) The Board may, from time to time, make calls upon the Members in respect of any moneys unpaid on the Shares held by them and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed 25% of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the immediately preceding call.

(2) Each Member shall, subject to receiving at least 14 days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on such Member's Shares.

(3) A call may be revoked or postponed at the discretion of the Board.

28. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call on Shares was passed, and may be required to be paid by instalments.

29. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

30. (1) If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at 10% per annum or at such lower rate, if any, as the Board may determine.

(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

31. (1) Any sum, which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, such sum becomes payable.

(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Payment in Anticipation of Call may Carry Interest

32. (1) The Board may, if it deems fit, subject to the provisions of Section 50 of the Companies Act, 2013 agree to and receive from any Member willing to advance the whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for. Upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay

interest at such rate as may be agreed upon between the Member paying such sum in advance and the Board, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.

(2) The concerned Member shall not be entitled to any voting rights in respect of the moneys so paid by such Member until the same would but for such payment, become presently payable.

(3) The provisions of this Article shall *mutatis mutandis* apply to the calls on any Security.

Forfeiture of Shares

33. If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued.

34. The above-mentioned notice shall:

(1) name a further day (not being earlier than the expiry of 14 days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(2) state that in the event of non-payment on or before the day so named, the Shares in respect of which the call was made shall be liable to be forfeited.

35. If the requirements of any such above-mentioned notice are not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

36. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before such a sale or disposal, the Board may cancel the forfeiture on such terms as it thinks fit.

37. (1) A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the Shares.

(2) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the Shares.

38. (1) A duly verified declaration in writing that the declarant is a Director, the manager or the company secretary of the Company, and that a Share has been duly forfeited on the date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to such Share.

(2) The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute an instrument of transfer of the Share in favor of the person to whom the Share is sold or disposed of.

(3) The transferee shall thereupon be registered as the holder of the Share in the Register of Members.

(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall such transferee's title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

39. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value

of the Share or by way of premium, as if such sum had been payable by virtue of a call duly made and notified.

Company's Lien on Shares

40. The Company shall have a first and paramount lien upon all the Shares (other than fully paid-up Securities) registered in the name of each holder of Shares (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 Share shall be created except upon the basis and condition that this Article shall have full effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares. Unless otherwise agreed, the registration of a transfer of Securities shall operate as a waiver of the Company's lien, if any, on such Shares. The Board may at any time declare any class of shares wholly or in part to be exempt from the provisions of this Article 40.

41. The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien, provided that no sale shall be made unless a sum in respect of which the lien exists is presently payable; or until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

42. To give effect to any such sale, the Board may authorize some person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the person entitled to the Shares at the date of the sale.

Terms of Issue of Securities

43. Subject to and in accordance with Applicable Law, any Securities may be issued by the Company, at a discount, premium or otherwise and may be issued by the Company on condition that they may be converted into Shares of any denomination and with privileges and conditions with respect to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at General Meetings and appointment of Directors and otherwise Securities with the right of conversion into or allotment of Shares shall be issued only with the approval of the Company in a General Meeting by way of a special resolution.

Power to Borrow

44. The Board may, from time to time, and at its discretion, subject to the provisions of Section 180 of the Act and these Articles, accept deposits from Members subject to provisions of Section 73 to 76A of the Act, either in advance of calls or otherwise and generally raise or borrow moneys, either from the Directors, or from any persons for the purposes of the Company and/or secure the payment of any such sum or sums of money, provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding and un-discharged at that time exceed the aggregate of the paid-up share capital of the Company, the securities premium account and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company in a General Meeting. The Board may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by receiving deposits, issue of bonds, debentures perpetual, redeemable, debenture stock, or any Security or by mortgage or charge or other security upon all or any part of the property or undertaking of the Company (both present and future), including its uncalled capital for the time being; provided that the Board shall not give any option or right

to any person for making calls on the Members in respect of the amount unpaid for the time being on the Shares held by them, without the previous approval of the Company in a General Meeting.

DIRECTORS AND OFFICERS

Number of Directors

45. Subject to the provisions of the Act, the Board shall consist of a minimum of three Directors and a maximum of 15 Directors. The following shall be the first Directors of the Company;

    1. Jagdish Chand Chaudhry;
    2. Kamla Chaudhry; and
    3. Aakash Chaudhry.

46. The Company shall appoint at least one woman Director as prescribed by the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

47. At least one-third of the number of Directors on the Board at any given time, or such higher number as may be required to be appointed under any Applicable Law, shall be Independent Directors.

48. At least one Director shall reside in India for a total period of not less than 182 days in each financial year.

49. No person shall be elected as a Director unless he furnishes to the Company his director identification number, a declaration that he is not disqualified to become a Director under the Act and his consent to hold office as Director.

Qualification Shares

50. It shall not be necessary for a Director to hold any qualification Shares in the Company.

Additional Directors

51. Subject to the provisions of the Act, the Board, by way of majority, shall have power at any time, and from time to time, to appoint one or more persons as additional Directors in terms of the provisions of the Act provided that the number of Directors and additional Directors together shall not exceed the maximum number fixed by Article 45. An additional Director so appointed shall hold office up to the date of the immediately subsequent annual General Meeting or the last date on which such annual General Meeting is required to have been held under Applicable Law, whichever is earlier.

Alternate Directors

52. In the event that a Director is absent for a continuous period of not less than three months from India, subject to the provisions of the Act, the Board may appoint an alternate Director for and in place of such absentee original Director, subject to the provisions of Section 161 of the Act. The alternate Director shall vacate office as and when the absentee original Director returns to India. Upon the appointment of such alternate Director, the Company shall ensure compliance with the provisions of the Act, including filing of necessary forms with the Registrar of Companies. Such alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the absentee original Director and generally to perform all functions thereof in his or her absence. No person shall be appointed as an Alternate Director to an Independent Director unless such person is qualified to be appointed as an Independent Director of the Company.

Retirement of Directors

53. Subject to the provisions of Section 152 of the Act, not less than two-thirds of the total number of Directors shall be liable to retire by rotation. One-third of such Directors that are liable to retire by rotation shall so automatically retire every year at the annual General Meeting and shall be eligible for re-appointment. The Directors to retire by rotation shall be decided based on those who have been longest in office, and as between persons appointed on the same day, the same shall be decided by mutual agreement or by draw of lots. Nothing contained in this Article 53 shall apply to Independent Directors appointed by the Company.

Resignation of Directors

54. Subject to the provisions of the Act, a Director shall be entitled to resign from the office of Director through a notice in writing with effect from such date as such Director may specify while so resigning or, in the absence of a date, the date of receipt of notice, whichever is later.

Casual Vacancy

55. Subject to the provisions of the Act and these Articles, if a Director appointed by the Company in a General Meeting vacates office as a Director before such Director's term of office expires in the normal course, the resulting casual vacancy may be filled by the Board, at a meeting of the Board subject to approval by the Members in the immediately subsequent General Meeting, but any person so appointed shall retain office only for so long as the vacating Director would have remained in office.

56. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the company, but for no other purpose.

Directors' Fees

57. (1) The Directors may, subject to restrictions if any, under Applicable Law, be remunerated separately for the performance of special or executive duties approved from time to time by the Board.

(2) Notwithstanding anything contained herein, non-executive Directors shall be paid such sitting fees for each Board meeting attended by such non-executive Directors as may be determined, if any, by the Board from time to time within any limits that may have been prescribed under Applicable Law for payment of sitting fees.

(3) All Directors shall be entitled to be paid or reimbursed their reasonable travelling and accommodation expenses incurred in attending meetings of the Board or in the discharge of their duties as Directors.

Place and Calling of Board Meetings

58. Board meetings shall be held at any place as may be decided by the Board. Board meetings shall be held at least once every three months and at least four times in each year in such manner that not more than 120 days intervene between two consecutive meetings of the Board. Any Director may call a meeting of the Board. Seven calendar days' written notice of Board meetings shall be given to all Directors. Where there is quorum in a meeting through physical presence of directors, any other director may participate through video conferencing or other audio visual means in such meeting on any matter specified under the Act. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

59. Save as otherwise expressly provided in the Act, a resolution in writing signed by all the Directors on the Board that are entitled to receive notice of a meeting of the Board at such time, shall be valid and effective as if it had been passed at a meeting of the Board, duly convened and held.

Resolution by Circulation

60. Resolutions of the Board may be passed in accordance with the provisions of the Act by circulation, if the resolution has been circulated in draft, together with necessary papers, if any, to all the Directors, in India or outside India, and has been approved by a majority of the Directors.

Chairperson of the Board

61. Mr. J C Chaudhry shall be the Chairperson of the Company and of the Board of Directors of the Company. The Board may nominate the Chairperson of the Committee at the time of their constitution, if not, then the Committee shall elect its Chairperson. The chairperson shall preside over each meeting of the Board at which the Chairperson is present. In the absence of Chairperson, the Directors attending the meeting shall elect a Director from among themselves to chair the meeting. In case of an equality of votes, the chairperson of the Board, shall have a second or casting vote.

62. All the Directors shall exercise their voting rights to ensure that these Articles are implemented and acted upon by them to prevent the taking of any action by the Company or by any Member, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.

Quorum

63. Subject to the provisions of the Act, the quorum for a meeting of the Board shall be one-third of the total number of Directors (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in the one-third being rounded off to the next highest whole number), or two Directors, whichever is higher. In the absence of a quorum, the meeting shall be adjourned automatically to the same day, at the same time and place in the immediately subsequent week, or if such day is a national holiday, the immediately succeeding day that is not a national holiday, at such time and place.

Attendance by Consultants, Advisers and Non-voting Attendees

64. The Board may, at its absolute discretion, authorize or request Auditors, consultants, advisers and employees of the Company or any other person to attend and speak at meetings of the Board. However, such persons shall not have a right to vote.

Powers of the Board

65. Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such powers, and do all such acts and things, as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing, which is directed or required whether by the Act or by the Memorandum or these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in a General Meeting.

66. No regulation made by the Company in a General Meeting shall invalidate any prior act of the Board, which would have been valid if such regulation had not been made.

67. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members as it thinks fit. Any committee so formed shall, in the exercise of the powers so delegated, comply with such terms and conditions that may be imposed on it by the Board or under Applicable Law.

Key Managerial Personnel

68. Subject to the provisions of the Act and any other relevant provisions under other Applicable Law, the Company shall appoint the following whole-time key managerial personnel pursuant to a resolution by the Board:

(1) managing Director or chief executive officer or manager and in their absence, a whole-time Director;
(2) company secretary; and
(3) chief financial officer.

Provided that the same person may be appointed or reappointed as the chairperson of the company as well as the managing Director or chief executive officer of the Company.

69. The managing Director or the manager or the whole-time Director shall be appointed by the Board of Directors and be paid such remuneration (including bonus and commissions) subject to approval at a General Meeting from time to time.

GENERAL MEETING

70. An annual General Meeting of the Members shall be held in each calendar year and not more than 15 months shall elapse between the date of an annual General Meeting of the Company and that of the immediately subsequent General Meeting.

71. All General Meetings other than the annual General Meeting shall be called extraordinary General Meetings.

72. Subject to the provisions of the Act, any General Meeting may be called by giving to the Members not less than 21 days' notice or a shorter notice if consent thereto is given by Members in accordance with the provisions of Section 101 of the Companies Act, 2013.

73. The Board may, whenever it thinks fit, call an extraordinary General Meeting. If at any time Directors capable of acting, who are sufficient in number to form a quorum are not within India, any Director or any two Members may call an extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Quorum for General Meeting

74. No business shall be transacted at any General Meeting unless quorum of Members is present. The quorum for General Meetings shall be as provided in Section 103 of the Companies Act, 2013.

75. If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the General Meeting shall be adjourned by the Members present to the same day in the immediately subsequent week at the same time and place, or to such other date and such other time and place as the Board may determine. If a quorum in accordance with the above requirement is not present at adjourned General Meeting within half an hour from the time appointed for holding the adjourned General Meeting, the Members present shall constitute a quorum. Notwithstanding the foregoing, if within half an hour from the time appointed for holding a General Meeting called by requisition of the Members a quorum is not present, such General Meeting called by requisition of the Members shall stand dissolved.

Chairperson of General Meeting

76. The chairperson of the Board shall act as the chairperson of the General Meetings. If at any General Meeting of the Members, the chairperson is not present within 15 minutes of the time appointed for holding such General Meeting, or is unwilling to act as the chairperson of such meeting, the Directors present shall choose another Director to act as chairperson, and if no Director is also present at the meeting, or if none of the Directors present at the meeting is willing to act as the chairperson, the Members present shall choose one of their members to act as the chairperson of such meeting in accordance with the Act.

Voting at Meeting

77. (1) At any General Meeting, a resolution put to vote shall be decided by a show of hands, unless a poll (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of the Act or Applicable Law. Unless a poll is so demanded, a declaration by the chairperson that such resolution has, on a show of hands, been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without the requirement of any proof of the number or proportion of the votes cast in favor of or against that resolution.

(2) The Members shall exercise their voting rights as holders of Shares to ensure that the Act and/or these Articles are implemented and acted upon by the Members and by the Company and to prevent the taking of any action by the Company or by any Member, which is contrary to or with a view or intention to evade or defeat the terms and contained in these Articles.

Decision by Poll

78. If a poll is duly demanded, it shall be taken in such manner as the chairperson directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

79. Any business other than that upon which a poll has been demanded may proceed, pending the taking of the poll.

Adjournment of Meeting

80. The chairperson may, with the consent of any General Meeting at which a quorum is present, and shall, if so directed by the General Meeting, adjourn the General Meeting from time to time and from place to place. No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place. When a General Meeting is adjourned for 30 days or more, notice of the adjourned General Meeting shall be given as in the case of an original General Meeting.

Votes of Members

81. (1) Subject to the provisions of the Act, on a show of hands, every Member holding Equity Shares and present in person shall have one vote.

(2) Subject to the provisions of the Act, on a poll, each Member shall have voting rights in proportion to its share of the paid-up share capital.

(3) On a poll, a Member having more than one vote, or its proxy or other person entitled to vote for such Member need not vote all its votes in the same way.

(4) Notwithstanding the foregoing, no Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by such Member in respect of Shares held by such Member have been paid.

(5) A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction of lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

(6) A Member may exercise his vote at a General Meeting by electronic means in accordance with the Act, and shall vote only once.

(7) No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision shall be final and conclusive.

Postal Ballot

82. Subject to, and in accordance with, the provisions of the Act, the Company may, and in case of resolutions relating to such matters as the Central Government may, by notification, require to be conducted only by Postal Ballot, shall, get such resolutions passed by means of a Postal Ballot, instead of transacting the business in a General Meeting.

Voting by Joint Holders

83. In the case of joint holders, the vote of the first named of such joint holder who tenders a vote whether in person or proxy shall be accepted to the exclusion of the votes of other joint holders.

PROXY

84. Any Member entitled to attend and vote at a General Meeting shall be entitled to appoint another person as a proxy to attend and vote on his behalf provided that a proxy shall not have the right to speak at such General Meeting and shall not be entitled to vote except on a poll.

Instrument of Proxy

85. (1) The instrument appointing a proxy shall be in writing and signed by the appointer or his duly authorized attorney, or, if the appointer is a body corporate, under its common seal, if any, or signed by a duly authorized officer or attorney thereof in the prescribed form under the Act.

(2) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours prior to the time fixed for the meeting in question, failing which the instrument of proxy shall be invalid.

Validity of Proxy

86. A vote given under the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal, or the revocation of the proxy, or of the authority under which the proxy was executed, or a transfer of the Shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its registered office before the commencement of the meeting, or adjourned meeting, at which the proxy is used.

Corporate Members

87. Any corporate body, which is a Member of the Company may, by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of Members of the Company and such person so authorized shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the corporate body which such person represents as those which the corporation could have exercised if it were an individual Member of the Company.

ACCOUNTS

88. (1) The Board shall cause proper books of account to be maintained under the Act.

(2) Subject to the provisions of the Act, the Board shall also, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the account books of the Company or any of them shall be open to the inspection of the Members.

(3) Subject to the provisions of the Act, no Member (not being a Director) or other person shall have any right of inspecting any account book or document of the Company except as conferred by Applicable Law or authorized by the Board or by the Company in a General Meeting.

SECRECY

89. Every Director, manager, Auditor, trustee, Member, member of a committee, officer, agent, accountant or other person employed in the business of the Company shall, if so required by the Board before entering upon its duties, sign a declaration pledging to observe strict secrecy respecting all *bona fide* confidential information of the Company and its customers and shall by such declaration, pledge not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except as required by the Board, or by any General Meeting, or by a court of law, or so far as may be necessary in order to comply with any of the provisions in these Articles and the provisions of the Act.

OPERATION OF BANK ACCOUNTS

90. The Board shall have the power to authorize any Director or Directors or any officer or officers to open bank accounts; to sign cheques on behalf of the Company; to operate all banking accounts of the Company; and to receive payments, make endorsements, draw and accept negotiable instruments, *hundies*, promissory notes, drafts, bills of exchange and other bills.

INDEMNITY

91. Subject to the provisions of the Act, every officer at any given time of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any *bona fide* proceedings, whether civil or criminal in which judgment is given in his favor or in which he is acquitted or discharged or in connection with any application under the Act, in which relief is granted to him.

COMMON SEAL

92. (1) The Board shall provide for the safe custody of the Seal, if any.

(2) The Seal shall not be affixed to any instrument except by the authority of resolution of the Board or a committee of the Board authorized by it in that behalf.

(3) The Seal will be affixed in the presence of at least one Director or the company secretary or such other person duly authorized by a resolution of the Board who shall attest the instrument on behalf of the Company.

AUDIT

Accounts to be Audited

93. The financial statements and accounts of the Company shall be audited by one or more Auditors to be appointed as hereinafter set out and in accordance with the provisions of the Act.

Auditors

94. (1) Subject to the provisions of the Act, the Company shall appoint an Auditor at an annual General Meeting to hold office from the conclusion of that annual General Meeting until the conclusion of the sixth annual General Meeting from such annual General Meeting, and every Auditor so appointed shall be informed of his appointment within 15 days.

(2) Where at an annual General Meeting, no Auditor is appointed or reappointed, the existing Auditor shall continue to be the Auditor.

(3) The Directors may fill any casual vacancy in the office of an Auditor in accordance with the provisions of the Act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall be filled by the Board of Directors subject to approval in a General Meeting within period of 3 months from the date of such appointment.

(4) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Companies Act, 2013.

Audit of Branch Offices

95. The Company shall comply with the provisions of the Act in relation to the audit of the accounts of any branch offices of the Company.

Remuneration of Auditors

96. Subject to the provisions of the Act, the remuneration of the Auditors shall be fixed by the Company in a General Meeting or in such manner as the Company may determine/ authorize the Board, in a General Meeting.

CAPITALIZATION OF PROFITS, DIVIDENDS AND RESERVES

97. The Company in a General Meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalize any part of the amount standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution at any time; and

(b) that such sum be accordingly set free for distribution in the manner specified in Article 98 below among the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

98. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in these Articles below, either in or towards:

(a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;

(b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;

(c) partly in the way specified in Article 98(a) above and partly in that specified in Article 98(b) above;

(c) securities premium account and capital redemption reserve account may, for the purposes of this Article 98, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid-up bonus Shares.

The Board shall give effect to the resolution passed by the Company in pursuance of this Article 98.

99. Whenever such a resolution as mentioned above shall have been passed, the Board shall:

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid-up Shares if any; and

(b) generally do all acts and things required to give effect thereto.

100. The Board shall have the power:

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares becoming distributable in fractions; and

(b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing Shares. Any agreement made under such authority shall be effective and binding on such Members.

101. Subject to the provisions of the Act, these Articles and any dividend policy adopted by the Board, the Company in a General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

102. Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends as appears to it to be justified by the profits of the Company.

103. (1) Subject to the provisions of the Act, any dividend policy adopted by the Board and Applicable Law, the Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it deems proper as a reserve or reserves, which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, deem proper.

(2) The Board may also carry forward any profits, which it may deem prudent not to divide, without setting them aside as a reserve.

104. (1) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid-upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.

(2) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this Article as paid on the Share.

(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid; but if any Share is issued on terms providing that it shall rank for dividend as from a particular date, such Share shall rank for dividend accordingly.

105. The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by such Member to the Company on account of calls or otherwise in relation to the Shares of the Company.

106. (1) Any dividend, interest or other moneys payable in cash in respect of Shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on

the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct.

(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

107. Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such Share.

108. Notice of any dividend that may have been declared shall be given to the persons entitled to a Share therein in the manner specified in the Act.

109. The Company may pay dividends in proportion to the amount paid-up on each share.

110. No dividend shall bear interest against the Company.

111. (1) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any Member entitled to the payment of the dividend, the Company shall within seven days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called the "Unpaid Dividend Account of AESL" (or such other name as approved by the Board) and transfer to the said account, the total amount of dividend, which remains unpaid or unclaimed or in relation to which no dividend warrant has been posted.

(2) Any amounts transferred to the "Unpaid Dividend Account of AESL" specified above which remain unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to a fund known as the 'Investor Education and Protection Fund' established under Section 125 of the Companies Act, 2013.

(3) No unclaimed or unpaid dividend shall be forfeited by the Board before the claims become barred by Applicable Law.

WINDING UP

112. Subject to and in accordance with the provisions of Applicable Law, the Company may be wound up and the assets made available for distribution among the Members.

SECTION IX: OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except such agreements executed after the Bid/Offer Closing Date).

A. Material Contracts for the Offer

1. Offer agreement dated July 19, 2018 entered into among our Company, the Selling Shareholders and the BRLMs.

2. Registrar agreement dated July 9, 2018 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.

3. Escrow agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, the Bankers to the Offer and the Registrar to the Offer.

4. Syndicate agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

5. Share escrow agreement dated [●] entered into among our Company, the Selling Shareholders and the Share Escrow Agent.

6. Underwriting agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.

2. Certificate of incorporation dated October 15, 2007 issued to our Company by the RoC.

3. Certificate of commencement of business dated January 9, 2008 issued to our Company by the RoC.

4. Fresh certificate of incorporation dated June 21, 2014 consequent upon conversion into a private limited company issued to our Company by the RoC.

5. Fresh certificate of incorporation dated July 5, 2018 consequent upon conversion into a public limited company issued to our Company by the RoC.

6. Agreement dated April 1, 2008 between our Company and Mr. J.C. Chaudhry for acquisition by our Company of the business of running coaching centers from Mr. J.C. Chaudhry.

7. Agreement dated April 1, 2008 between our Company and Mr. Aakash Chaudhry for acquisition by our Company of the business of running franchisee coaching centers at Mumbai under the name and style of 'Aakash Institute/Aakash IIT-JEE-Mumbai Franchise' from Mr. Aakash Chaudhry.

8. Agreement of employment dated March 1, 2018 entered into between our Company and Mr. J.C. Chaudhry in relation to his appointment as the Chairman cum Managing Director of our Company, together with the Board resolution dated March 1, 2018 and the resolution of our Shareholders dated March 7, 2018 in respect thereof.

9. Agreement of employment dated March 1, 2018 entered into between our Company and Mr. Aakash Chaudhry in relation to his appointment as the Chief Executive Officer & Whole-time Director of our Company, together with the Board resolution dated March 1, 2018 and the resolution of our Shareholders dated March 7, 2018 in respect thereof.

10. Deed of assignment dated June 18, 2018 between our Company and J C Jagruti pursuant to which J C Jagruti has assigned all rights, title and interest in certain trademarks, trademark applications and copyrights related to the education business to our Company.

11. Letter dated June 14, 2018, pursuant to which our Company has granted J C Jagruti a perpetual, royalty-free and non-exclusive license for use of the trademark and trade name 'AAKASH'.

12. Letter dated June 14, 2018, pursuant to which our Company has granted Aakash Healthcare a perpetual, royalty-free and non-exclusive license for use of the trademark and trade name 'AAKASH'.

13. Deed of guarantee dated March 18, 2017 executed by Mr. J.C. Chaudhry in favor of the security trustee for the benefit of HDFC Bank Limited pursuant to which our Promoter, Mr. J.C. Chaudhry together with Ms. Kamla Chaudhry, our Director, and Dr. Aashish Chaudhry, a member of our Promoter Group, have provided an unconditional and irrevocable guarantee to pay on demand all monies and discharge all payment obligations due from Aakash Healthcare under the facility agreement and the financing documents between Aakash Healthcare and HDFC Bank Limited.

14. Statement showing allotment of Equity Shares pursuant to exercise of options under the Aakash ESOP Scheme, aggregated on a quarterly basis.

15. Resolution of our Board dated June 14, 2018 in relation to the Offer and other related matters.

16. Resolution of our IPO Committee dated July 19, 2018 approving this Draft Red Herring Prospectus.

17. Letters of consent each dated July 9, 2018 from the Selling Shareholders approving the sale of the Equity Shares offered by them in the Offer for Sale.

18. Copies of the annual reports of our Company as of and for the Financial Years ended March 31, 2017, 2016, 2015, 2014 and 2013.

19. The examination report of our Statutory Auditors, dated July 9, 2018, on the Restated Financial Information.

20. The statement of possible special tax benefits and the report thereon dated July 13, 2018 from our Statutory Auditors.

21. Consents of our Directors, the BRLMs, the Registrar to the Offer, Legal Advisers to our Company as to Indian Law, Legal Advisers to the BRLMs as to Indian Law, Legal Advisers to the Underwriters as to International Law, the Banker to our Company, our Company Secretary and Compliance Officer, the Chief Financial Officer, the Syndicate Members and the Bankers to the Offer in their respective capacities.

22. Consent of the Statutory Auditors, to include their name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the

Companies Act, 2013 in respect of the examination report dated July 9, 2018 of the Statutory Auditors on the Restated Financial Information, and the statement of possible special tax benefits dated July 13, 2018.

23. Consent dated July 12, 2018 from CRISIL in relation to the report dated July 12, 2018 and titled "Assessment of Coaching Industry in India" and the report thereon.

24. Due diligence certificate dated July 19, 2018 addressed to the SEBI from the BRLMs.

25. Observation letter number [●] dated [●] addressed to the BRLMs from the SEBI.

26. In-principle listing approvals dated [●] and [●] issued by the BSE and the NSE, respectively.

27. Tripartite Agreement dated July 17, 2018 among our Company, NSDL and the Registrar to the Offer.

28. Tripartite Agreement dated July 16, 2018 among our Company, CDSL and the Registrar to the Offer.

29. 17 lease agreements executed by our Company with Mr. J.C. Chaudhry, our Promoter, each for a duration of nine years and effective from April 1, 2018.

Any of the contracts or documents mentioned in this Draft Red Herring 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 our Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines issued by the Government and the rules, regulations or guidelines issued by the SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or the rules or regulations made or the guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. J.C. Chaudhry
(Chairman cum Managing Director)

Mr. Aakash Chaudhry
(Chief Executive Officer & Whole-time Director)

Ms. Kamla Chaudhry
(Non-executive Director)

Dr. Pramath Raj Sinha
(Independent Director)

Mr. Rajesh Relan
(Independent Director)

Mr. Abhishek Dalmia
(*Independent Director)*

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

____

Hemant Sultania
Chief Financial Officer

Date: July 19, 2018
Place: New Delhi

DECLARATION

I, Mr. J.C. Chaudhry, hereby certify and confirm that all statements and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct.

Signed by Mr. J.C. Chaudhry

Date: July 19, 2018

Place: New Delhi

DECLARATION

I, Ms. Kamla Chaudhry, hereby certify and confirm that all statements and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct.

Signed by Ms. Kamla Chaudhry

____

Date: July 19, 2018

Place: New Delhi

DECLARATION

I, Mr. Aakash Chaudhry, hereby certify and confirm that all statements and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct.

Signed by Mr. Aakash Chaudhry

____

Date: July 19, 2018

Place: New Delhi

DECLARATION

I, Dr. Aashish Chaudhry, hereby certify and confirm that all statements and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct.

Signed by Dr. Aashish Chaudhry

Date: July 19, 2018

Place: New Delhi

DECLARATION

I, Dr. Meinal Chaudhry, hereby certify and confirm that all statements and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct.

Signed by Dr. Meinal Chaudhry

Date: July 19, 2018

Place: New Delhi

DECLARATION

I, Ms. Neetu Chaudhry, hereby certify and confirm that all statements and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct.

Signed by Ms. Neetu Chaudhry

Date: July 19, 2018

Place: New Delhi

Annexure A – US RESALE LETTER

[To be printed on the letterhead of an investor who is a U.S. Person or within the United States; to be executed after resale of the Equity Shares outside the United States; to be delivered to the Company prior to the settlement of any sale or other transfer of Equity Shares]

Aakash Educational Services Limited (the "**Company**")
Plot no. 8, Aakash Tower, Pusa Road
New Delhi 110 005
India

Ladies and Gentlemen:

This letter (the "**Resale Letter**") relates to the sale or other transfer by us of equity shares (the "**Shares**") of the Company, which is required to be in an offshore transaction pursuant to Regulation S ("**Regulation S**") under the Securities Act of 1933, as amended (the "**U.S. Securities Act**"). Terms used in this Resale Letter are used as defined in Regulation S, except as otherwise stated herein.

We hereby represent and warrant to you as follows:

1. We previously purchased the Shares for our own account (or for one or more beneficial owners for which we have acted as fiduciary or agent, with complete investment discretion and with authority to bind each such person), as an Entitled Qualified Purchaser (as defined in the Company's Prospectus dated [●]). We understand that the Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and that the Company has not registered and will not register as an investment company under the U.S. Investment Company Act of 1940, as amended (the "**U.S. Investment Company Act**").

2. The offer and sale of the Shares by us was made either:

    a. in an offshore transaction executed in, on or through the facilities of the BSE or NSE where neither we nor any person acting on our behalf knew by pre-arrangement or otherwise that the buyer was in the United States or a U.S. Person, or

    b. to a person that we and any person acting on our behalf knows to be outside the U.S. and a non-U.S. Person, or

    c. to the Company or a subsidiary thereof.

3. Neither we, nor any of our affiliates, nor any person acting on our or their behalf, has made any directed selling efforts (as such term is defined in Regulation S) in the United States with respect to the Equity Shares.

4. The transfer of the Equity Shares by us was not and is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act or the U.S. Investment Company Act.

5. We agree that the Company, its agents and their respective affiliates may rely upon the truth and accuracy of the foregoing representations and agreements.

Where there are joint transferors, each must sign this US Resale Letter. A US Resale Letter of a corporation must be signed by an authorized officer or be completed otherwise in accordance with such corporation's constitution (and evidence of such authority may be required).

Yours sincerely,

(Name of Transferor)

Title:

Date: