



INDO THAI SECURITIES LIMITED

DRAFT RED HERRING PROSPECTUS

Dated: 27th April, 2011
Please read section 60 B of the Companies Act, 1956
100% Book Building Issue

Our Company was incorporated on 19th January, 1995, as "Indo Thai Securities Limited" under the provisions of the Companies Act, 1956 with Registrar of Companies, Gwalior, Madhya Pradesh, and Commencement of Business dated 8th February, 1995. For details of changes in our registered office, see the section titled "History and Certain Corporate Matters" beginning on page no 100 of this Draft Prospectus) Our Corporate Identity No. is U67120MP1995PLC008959.

REGISTERED OFFICE: 16, 4th Floor, Dawa Bazar, R.N.T. Marg, Indore-452001, Madhya Pradesh, India.

Tel. No. + 91 -731- 2705420/22 , Fax No. + 91 -731- 2705423, Website: www.indothai.co.in

Email: ipo@indothai.co.in; Contact Person: Mr. Anurag Kumar Saxena, Company Secretary & Compliance Officer

PROMOTERS: MR. PARASMAL DOSHI and MR. DHANPAL DOSHI

PUBLIC ISSUE OF 40,00,000 EQUITY SHARES OF RS.10/- EACH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF RS. [●] PER EQUITY SHARE) FOR CASH AGGREGATING UPTO RS. [●] LAKHS (THE "ISSUE"), BY INDO THAI SECURITIES LIMITED (THE "COMPANY" OR THE "ISSUER"). THE ISSUE WILL CONSTITUTE 40.00% OF THE FULLY DILUTED POST ISSUE PAID UP CAPITAL OF THE COMPANY.

PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE OF RS. 10 EACH.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10.

THE FLOOR PRICE IS [●] TIMES THE FACE VALUE AND THE CAP PRICE IS [●] TIMES THE FACE VALUE

The Price Band and the minimum bid lot size will be decided by our Company, in consultation with the Book Running Lead Manager and advertised at least two working days prior to the bid/issue opening date..

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional working days after such revision, subject to the Bidding / Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding / Issue Period, if applicable, shall be widely disseminated by notification to the National Stock Exchange of India Ltd. (NSE) and the Bombay Stock Exchange Ltd. (BSE), by issuing a press release and also by indicating the change on the website of the Company, Book Running Lead Managers ("BRLM") and the terminals of the 'Syndicate member(s)'.

The Issue is being made under sub-regulation (1) of Regulation 26 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and through the 100% Book Building Process, wherein upto 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB portion shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than to 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares. **The face value of the Equity Shares is Rs.10/- each and the Issue Price of Rs.[●]/- per share 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.** The Issue Price (as determined and justified by the BRLM and our Company on basis of assessment of market demand for the Equity Shares by way of Book Building as stated in 'Basis for Issue Price') should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

IPO GRADING

This Issue has been graded by [●] and has been assigned the "IPO Grading [●]", indicating [●]. For Details kindly refer 'General Information' beginning on page 32 and 'Material Contracts and Documents for Inspection' beginning on page no. 322 of this Draft Red Herring Prospectus.

GENERAL RISK

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ('SEBI'), nor does SEBI guarantee the accuracy or adequacy of this document. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 13 of this Draft Red Herring Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

Issuer, having made all reasonable inquiries, accepts responsibility for and confirm that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this 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.

LISTING ARRANGEMENT

The Equity Shares are proposed to be listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). Our Company has received In-principle approvals from NSE and BSE vide their letters dated [●] and [●] respectively. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

BOOK RUNNING LEAD MANAGER



CORPORATE STRATEGIC ALLIANZ LIMITED
402, Samedh Complex, Near Associated Petrol Pump,
C.G. Road, Ahmedabad – 380 006, Gujarat- India.
Tel No: +91-79- 2642 4138, TeleFax No: +91- 79- 4002 4670
SEBI REGN NO: INM 000011260
Email Id: ipo.itsl@csapl.com
Investors Grievance Id: investors@csapl.com
Website: www.csapl.com
Contact Person: Mr. Chetan Sharma

REGISTRAR TO THE ISSUE



SHAREPRO SERVICES (INDIA) PRIVATE LIMITED
607/608, Sagar Tech Plaza, A Wing, Sakinaka Junction,
Andheri (East), Mumbai – 400 072, Maharashtra – India
Tel: +91-22- 61915402 / 5404,
Fax: +91-22- 61915444
SEBI REGN NO: INR000001476
Email Id: indothai.ipo@shareproservices.com
Website: www.shareproservices.com
Contact Person: Mr. Subhash Dhingreja/ Mr. Satheesh H. K.

ISSUE PROGRAM

BID/ISSUE OPENS ON : [●]

BID/ISSUE CLOSING ON : [●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

Term	Description
“ITSL”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Unless the context otherwise requires these words refer to Indo Thai Securities Limited, a public limited company incorporated under the Companies Act, 1956.
“We”, “our”, “us”, “Indo Thai Group”, “the Group”	Unless the context otherwise requires, refers to the Company and its Group.

COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association	Articles of Association of our Company
Auditors	The Statutory auditors of our Company, being M/s. S. Ramanand Aiyar & Co., Chartered Accountants
Board of Directors/ Board	The Board of Directors of our Company or a committee constituted thereof
Business Associates	The parties, including sub-brokers registered with the SEBI, with whom we have entered into arrangements for services including introduction of customers to our services
Business Location	Premises in which we and/or our Business Associates operate one or more of our business activities.
Director(s)	The Director(s) of our Company, unless otherwise specified
Group Companies	Companies: <ol style="list-style-type: none"> 1. Indo Thai Commodities Private Limited (ITCPL) 2. Indo Thai Real Estate Private Limited (ITREPL) 3. Surana Estate & Commodity Trading Private Ltd. (SECTPL) 4. Vistar Villas Private Limited (VVPL) 5. Sand & Stone Residency Private Limited (SSRPL) 6. Geetanjali Buildcon Private Limited (GBPL) 7. Shakuntal Infracon Private Limited (SIPL) 8. Citadel Real Estates Private Limited (CREPL) 9. Future Infraestates Private Limited (FIPL) 10. Provident Real Estates Private Limited (PREPL) 11. Rising Infra Real Private Limited (RIRPL) Partnership Firms: <ol style="list-style-type: none"> 1. Dinesh Enterprise
MD	Managing Director
Memorandum/ Memorandum of Association	Memorandum of Association of our Company as amended from time to time.
Promoters	Promoter of our Company, namely: <p>Mr. Parasmal Doshi</p> <p>Mr. Dhanpal Doshi</p>
Promoters Group	The persons and entities constituting the promoter group of the Company in terms of Regulation 2(zb) of the SEBI Regulations and enumerated in “Our Promoters and Group Companies- “Our Promoters Group” on page 122 of this Draft Red Herring Prospectus

Registered Office	The Registered office of our Company, located at 16,4th Floor, Dawa Bazar, R.N.T. Marg, Indore – 452001, Madhya Pradesh, India.
RoC/ Registrar of Companies, Gwalior	Registrar of Companies, Madhya Pradesh, situated at, 3rd Floor, A Block, Sanjay Complex, Jayendra Ganj, Gwalior.
WTD	Whole Time Director

ISSUE RELATED TERMS

Term	Description
Application Form	The form in terms of which the investors shall apply for the equity shares of our Company
Allotment/ Allot/ Allotted	Unless the context otherwise requires, Allotment and transfer of Equity Shares pursuant to this Issue to the successful Bidders
Allottee	A successful Bidder to whom Equity shares are Allotted
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by a Resident Retail Individual Bidder to make a Bid authorizing the SCSB to block the Bid Amount in their specified bank account
ASBA Bidder/ Investor	Any Resident Retail Individual Bidder who intends to apply through ASBA and (i) is bidding at Cut-off Price, with single option as to the number of shares; (ii) is applying through blocking of funds in a bank account with the SCSB; (iii) has agreed not to revise his/ her bid; and (iv) is not bidding under the Employee Reservation Portion
ASBA Bid cum Application Form/ ASBA BCAF	The Bid-cum-Application form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purpose of this Draft Red Herring Prospectus
ASBA Public Issue Account	Account opened with the Bankers to the Issue by the Company to receive monies transferred by the SCSBs from the bank accounts of the ASBA Applicants
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Bid cum Application Forms or any previous ASBA Revision Form(s)
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Escrow Account will be opened and for the purpose of this Issue being [•].
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in “Issue Procedure” – Basis of Allotment” on Page 216 of the Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto For the purposes of ASBA Bidders, Bid means an indication to make an offer during the Bidding Period by a Retail Resident Individual Bidder to subscribe to the Equity Shares of our Company at Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid-cum-Application Form/ Bid Form	The form used by a Bidder (including the format of such application form used by the ASBA Bidder, whether physical or electronic) to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus

Bid/ Issue Opening Date	The date on which the members of the Syndicate and SCSBs shall start accepting Bids for the Issue, which shall be notified in one English national newspaper, one Hindi national newspaper and a regional language newspapers with wide circulation at the place where registered office of the Company is situated
Bid/ Issue Closing Date	The date after which the members of the Syndicate and SCSBs will not accept any Bids for the Issue, which shall be the notified in one English national newspaper, one Hindi national newspaper and a regional language newspapers with wide circulation at the place where registered office of the Company is situated
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and includes an ASBA Bidder
Bidding Centre	A Centre for acceptance of the Bid cum Application Form
Bidding/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids, including any revisions thereof
Book Building Process/ Method	Book Building Process as provided under Schedule XI of SEBI (ICDR) Regulations, 2009, in terms of which this Issue is being made.
BRLM/ Book Running Lead Manager	Book Running Lead Managers to the Issue, in this issue being; Corporate Strategic Allianz Limited
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated equity shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
Controlling Branches	Such branches of the SCSBs which coordinates Bids under this Issue by the ASBA Bidders with the BRLM, the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/
Cut-off Price	Any price within the Price Band finalized by the Company in consultation with the BRLM. A Bid submitted at Cut-Off price is a valid Bid at all price levels within the Price Band. Only Retail Individual Bidders who's Bid Amount do not exceed ₹ 2,00,000, are entitled to Bid at Cut-Off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-Off Price. It is mandatory for ASBA Bidders to Bid at the Cut- Off Price
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
Designated Branches	Such branches of the SCSBs which shall collect Bid cum Application Form from the ASBA Bidders and a list of which is available on http://www.sebi.gov.in
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account to the Public Issue Account and the SCSBs transfer amount blocked in the bank accounts of the ASBA Bidders to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful Bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
DP ID	Depository Participant Identity

Draft Red Herring Prospectus/ DRHP	This Draft Red Herring Prospectus dated 27 th April ,2011 issued in accordance with section 60B of the Companies Act and SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares are issued and the number of Equity Shares being offered in the Issue
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to or purchase Equity Shares offered thereby
Electronic ASBA Application/ Bid	Submission of ASBA Bid-cum-Application Form electronically, by an ASBA Investor, through the internet banking facility offered by the SCSBs.
Equity Shares	Equity shares of our Company of ₹ 10/- each unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, BRLM, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds (excluding ASBA Bidders) on the terms and conditions thereof
Escrow Collection Bank(s)	The banks, which are registered with SEBI as Banker(s) to the Issue at which the Escrow Account for the Issue will be opened
FII	Foreign Institutional Investors and sub-accounts, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 st of that particular year, unless otherwise specified
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted
GIR Number	General Index Registry Number
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
Issue/ Issue Size	Public issue of 40,00,000 Equity Shares of ₹ 10/- each of the Company for cash at a price of ₹ [●] each aggregating to ₹ [●] Lacs (the 'Issue')
Issue Management Team	The Team managing this issue as set out in the chapter titled 'General Information' on Page 32 of the Draft Red Herring Prospectus
Issue Price	The final price at which Equity Shares will be allotted in the Issue in terms of the Red Herring Prospectus. The Issue price will be decided by our Company in consultation with the BRLM, on the Pricing Date.
Issue proceeds	The proceeds of the Issue that are available to the Company
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	5% of the QIB Portion or 1,00,000 Equity Shares of ₹ 10 available for allocation to mutual funds only, out of the QIB Portion.
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see "Objects of the Issue" on page 53 of the Draft Red

	Herring Prospectus
Non-Institutional Bidders	All Bidders that are neither Qualified Institutional Buyers nor Retail Individual Bidders and who have bid for an amount of more than ₹ 200,000/-
Non-Institutional Portion	The portion of the Issue being not less than 6,00,000 Equity Shares of ₹ 10 each available for allocation to Non Institutional Bidders.
Non Residents	A person who is not resident in India except NRI's and FII's
NRI/ Non-Resident Indian	A non-resident is a person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
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 which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not permitted to subscribe in this Issue.
Pay-in-Date	Bid/Issue Closing Date with respect to the Bidders whose Margin Amount is 100% of the Bid Amount or the last date specified in the CAN with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount
Pay-in-Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date; and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Physical ASBA Application/ Bid	ASBA Bid- cum Application Forms submitted by ASBA Investor physically with the designated branches of the SCSB's
Price Band	Price band of a minimum price (Floor Price) of ₹ [●] per Equity Share and the maximum price (Cap Price) of ₹ [●] per Equity Share and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLM will finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC after finalization of the Issue Price in accordance with Section 60 of the Companies Act and the SEBI Regulations, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the number of Equity Shares offered in the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue by the Company to receive monies from the Escrow Account on the Designated Date
Qualified Institutional Buyers or QIBs	“Qualified Institutional Buyer” means: I. a mutual fund, venture capital fund and foreign venture capital investor registered with the Board; II. a foreign institutional investor and sub-account (other than

	<p>a sub-account which is a foreign corporate or foreign individual), registered with the Board;</p> <p>III. a public financial institution as defined in section 4A of the Companies Act, 1956;</p> <p>IV. a scheduled commercial bank;</p> <p>V. a multilateral and bilateral development financial institution;</p> <p>VI. a state industrial development corporation;</p> <p>VII. an insurance company registered with the Insurance Regulatory and Development Authority;</p> <p>VIII. a provident fund with minimum corpus of twenty five crore rupees;</p> <p>IX. a pension fund with minimum corpus of twenty five crore rupees;</p> <p>X. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</p> <p>XI. Insurance funds set up and managed by army, navy or air force of the Union of India;</p> <p>XII. Insurance funds set up and managed by the Department of posts, India.</p>
QIB Portion	The portion of the Issue being upto 20,00,000 Equity Shares of ₹ 10 each available for allocation to QIB Bidders.
Red Herring Prospectus/ RHP	The Red Herring Prospectus to be issued in accordance with Section 60B of the Companies Act and the SEBI Regulations, which will not have complete particulars of the price at which the Equity Shares are offered and the number of Equity Shares offered in the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidders) shall be made
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means funds through ECS, NEFT, Direct Credit or RTGS as applicable
Registrar/ Registrar to the Issue	Registrar to the Issue, in this case being Sharepro Services (India) Private Limited.
Resident Retail Individual Bidders	Retail Individual Bidder who is a person resident in India as defined under FEMA and who is eligible to apply in this Issue through the ASBA process
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their Karta and Eligible NRIs) who have not Bid for Equity Shares for an amount more than ₹ 200,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being not more than 14,00,000 Equity Shares of ₹ 10 each available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders, excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous revision forms
Self Certified Syndicate Bank/ SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, and a list of which is available on www.sebi.gov.in
SCSB Agreement	The agreement to be entered into between the SCSBs, the BRLM, the Registrar to the Issue and our Company only in relation to the collection of Bids from the ASBA Bidders

Stock Exchange	Bombay Stock Exchange Limited and National Stock Exchange of India Limited
Syndicate or Members of the Syndicate	BRLM and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company in relation to the collection of Bids in the Issue (excluding Bids from the ASBA Bidders)
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date

TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
AMFI	Association of Mutual Funds in India
Commodities Market/ Commodities Segment	An exchange for buying and selling of commodities for future delivery
Currency Futures Market/ Currency Futures Segment	Market where currency future contracts are traded
CDS	Currency Derivatives Segment
CM	Capital Market
CPAI	Commodities Participants Association Of India
Derivatives	Derivative is a product whose value is derived from the value of one or more basic variables, called bases (underlying asset, index or reference rate), in a contractual manner. The underlying asset can be equity, forex, commodity or any other asset.
Derivatives Market	The financial markets for derivatives and financial instruments like futures contracts or options, which are derived from other forms of assets.
F&O	Futures and Options
FMC	Forward Markets Commission
Futures Contract	A futures contract is a standardized contract to buy or sell a specified securities or commodity of standardized quality at a certain date in the future and at a market-determined price (the futures price). The contracts are traded on a futures exchange.
GDR	Global Depository Receipt
IP	Intellectual Property
IRF	Interest Rate Futures
IRDA	Insurance Regulatory and Development Authority
IS	Information System
Market Capitalisation	No. of outstanding shares multiply by Current Market price of one share
NSE	National Stock Exchange of India Limited
BSE	Bombay Stock Exchange Limited
MCX	Multi Commodity Exchange of India Limited
MCX-SX	MCX Stock Exchange Limited
USE	United Stock Exchange Limited
NCDEX	National Commodity and Derivative Exchange Limited
ICEX	Indian Commodity Exchange Limited
ACE	ACE Commodity Exchange Limited

NIFTY	National Stock Exchange Sensitive Index
Options Contract	The right, but not the obligation, to buy or sell a specific amount of a given stock, commodity, currency, index, or debt, at a specified price during a specified period of time.
PRO A/c.	Proprietary Account
SENSEX	Bombay Stock Exchange Sensitive Index
STT	Securities Transaction Tax
VSAT	Very Small Aperture Terminal
MPFC	Madhya Pradesh Financial Corporation
Wholesale Debt Market	A market for the issuance, trading and settlement in fixed income securities of various types.
MFSS	Mutual Fund Service System

CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956, as amended from time to time
AMFI	Association of Mutual Funds In India
AGM	Annual General Meeting
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year
BCSM	BSE Certification on Securities Market
BG	Bank Guarantee
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CCNA	Cisco Certified Network Association
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
DIN	Director's identification number
DP/ Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996
DP ID	Depository Participant's identification
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortisation
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FCNR Account	Foreign Currency Non Resident Account established in accordance with the FEMA
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year
FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipts

FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/ Government	Government of India
HUF	Hindu Undivided Family
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standard
IT	Information Technology
I.T. Act	Income Tax Act, 1961, as amended from time to time
INR/ Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
MCCP	MCX Certified Commodity Professional
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.
Mn/ mn/ Mln	Million
MoU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NCFM	NSE Certification in Financial Markets
NEFT	National Electronic Fund Transfer
NISM	National Institute of Securities Markets
NOC	No Objection Certificate
NR/ Non Residents	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India
NTA	Net Tangible Assets
OTCEI	Over The Counter Exchange of India
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time

RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSB	Self Certified Syndicate Bank
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to Time
SEBI Regulations/ SEBI (ICDR) Regulations, 2009	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
Sec.	Section
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as amended.
UIN	Unique Identification Number
UPSI	Unpublilshed Price Sensitive Information
USD/ US\$	United States Dollars
U.S. GAAP	Generally accepted accounting principles in the United States of America.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Financial Data

Unless stated otherwise, the financial information used in the Draft Red Herring Prospectus derived from our financial statements prepared in accordance with Indian GAAP, Companies Act and the SEBI Regulations included elsewhere in this Draft Red Herring Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the ensuing calendar year. Unless stated otherwise, references herein to a Financial Year (e.g., Financial Year 2010), are to the Financial Year ended March 31 of that particular year. In the Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Companies Act and SEBI (ICDR) Regulations, 2009. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited. Our Company has not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on financial data.

Market and Industry Data

Unless stated otherwise, industry data used throughout the Draft Red Herring Prospectus has been obtained or derived from industry publications and/or publicly available government documents. Industry publications or publicly available government documents generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although our Company believes that industry data used in the Draft Red Herring Prospectus is reliable, it has not been verified by us or any other person connected with the Issue.

Currency of Presentation

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

FORWARD LOOKING STATEMENTS

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

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- Downturns or disruptions in the securities markets could reduce transaction volumes, and could cause a decline in the business and impact our profitability.
- Intense competition from existing and new entities may adversely affect our revenues and profitability.
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business.
- Our failure to expand our operations whether through Branches or otherwise:
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments.
- Our ability to successfully implement our growth strategy and expansion plans or response to technological changes.
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For a further discussion of factors that could cause our actual results to differ, *please refer Section titled “Risk Factors” beginning on page 13 of the Draft Red Herring Prospectus, and Chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 82 and 158, respectively of the Draft Red Herring Prospectus.* 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 future gains or losses could materially differ from those that have been estimated. Neither our Company nor the BRLM, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until the time of grant of listing and trading permissions by the Stock Exchanges.

SECTION II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. You should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. The risks and uncertainties described below are not the only risks that the Company currently faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have an adverse effect on the Company's business, results of operations and financial condition and could cause the trading price of our Equity Shares to decline. The financial and other implications of material impact of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. There are, however, a few risk factors where the impact is not quantifiable and hence the impact has not been disclosed in such risk factors. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

Materiality

The Risk factors shall be determined on the basis of their materiality. In determining the materiality of risk actors, the following shall be considered:

1. Some risks may not be material individually but may be material when considered collectively.
2. Some risks may have an impact which is qualitative though not quantitative.
3. Some risk may not be material at present but may have a material impact in the future.

INTERNAL RISK FACTORS

Risk Related to our company, Business and Industry

1. ***We are involved in a number of legal proceedings which, if determined against us, could adversely affect our business and financial condition.***

Our Company, our Directors, and the Promoter Group concerns are parties to certain legal proceedings. No assurances can be given as to whether these matters will be settled in our favour or against us. A summary of the pending proceedings is set forth below:

Litigation Filed By and Against Our Company

(₹ in Lacs)			
Sr. No.	Particulars	No. of cases / disputes	Amount involved where quantifiable
LITIGATION BY OUR COMPANY			
A) Criminal cases			
1.	Criminal Complaints u/s 138 of Negotiable Instrument Act filed by our company	7	10.12
B) Civil cases			
1	Civil Cases (Recovery suit)	2	2.66
LITIGATIONS AGAINST OUR PROMOTERS/DIRECTORS			
1	Writ petition for Set aside sale confirmation by DRT in favor of promoter	1	130.00

Litigation Filed By and Against the Group Companies

INDO THAI COMMODITIES PRIVATE LIMITED (ITCPL)

(₹ in Lacs)

No.	Particulars	No. of cases / disputes	Amount involved where quantifiable
LITIGATIONS AGAINST ITCPL			
A) CIVIL CASE			
1.	Civil Cases (Recovery suit)	2	2.82
2.	Civil case for transfer of amount by the party from fraudulent account opened by a third party	1	3.00
LITIGATIONS BY ITCPL			
CRIMINAL CASES			
1.	Criminal Complaints u/s 138 of Negotiable Instrument Act filed by ITCPL	22	19.75
2.	Civil case for transfer of amount by the party from fraudulent account opened by a third party	1	3.00

For further details regarding outstanding litigation involving the Company and the Directors, the Group Companies see “Legal & Other Regulatory Information” on page 168 of this Draft Red Herring Prospectus.

2. Penalties levied under various laws for last five years

The past cases in which penalties have been imposed during last five years on our company and our group companies are as follows:

Penalties levied on our company:-

Sr. No.	Amount of Penalty	Particulars	Paid / Unpaid
1	25300	National Stock Exchange - Non Compliance	Paid
2	58600	National Stock Exchange - Non Compliance	Paid
3	60000	National Stock Exchange - Non Compliance	Paid
4	10000	MCX Stock Exchange Limited - Non Compliance	Paid
5	26000	CDSL - Non Compliance	Paid
6	67652	Office of the Collector of stamps (Penalty for late payment)	Unpaid
7	71888	Office of the Collector of stamps (Penalty for late payment)	Unpaid
8	16992	Office of the Collector of stamps (Penalty for late payment)	Unpaid

Penalties levied on group company (ITCPL):-

Sr. No.	Amount of Penalty	Particulars	Paid / Unpaid
1	16100	Multi Commodity Exchange of India during inspection of books of Accounts for the period 1 st April, 2008 to 15 th October, 2008.	Paid
2	15100	Multi Commodity Exchange of India during inspection of books of Accounts for the financial year 2006-07.	Paid
3	33500	Multi Commodity Exchange of India during inspection of books of Accounts for the financial year 2005-06.	Paid

3. Deployment of the Issue Proceeds is entirely at the discretion of the issuer and is not subject to any monitoring by any Independent agency

We intend to use the net proceeds of the Issue as described in the “Objects of the Issue” on page 53 of this Draft Red Herring Prospectus. The purposes for which the net proceeds of the Issue are to be utilized have not been appraised by any independent entity and are based on our estimates. As the net proceeds of the Issue will be less than ₹ 50,000 Lacs, under sub-regulation (1) Regulation 16 of SEBI (ICDR) Regulations, 2009 our company is not required to appoint a monitoring agency in relation to the issue. However, as per Clause 49 of Listing Agreement to be entered into with the stock exchanges upon listing of the equity shares and the Corporate Governance Requirements, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

4. Our Registered Office is not owned by us and we have taken on lease from Paras Doshi (H.U.F.)

Our Registered Office situated at 16,4th Floor, Dawa Bazaar R.N.T Marg, Indore-452001 has been taken on lease for a period of 5 years commencing on May 01, 2008 at consideration of ₹12000/- per Month from Paras Doshi HUF r/o 18-B, Scheme No .71C, Gumasta Nagar, Indore (M.P)

5. The books of our company are subject to inspection and audit by the regulatory authorities and any adverse remarks may affect our business

Our Company is a member of BSE, NSE, MCX-SX and USE for carrying out the broking business and is also a participant of CDSL for carrying out depositories business. As a member of the above regulatory authorities, our Company is governed by various rules, regulations and byelaws of these exchanges and is subject to inspections and various audits undertaken from time to time. Since our inspection and audit report contain the qualifications/remarks, administrative or judicial proceedings may be initiated against us that may result in trade bans, penalties deregistration or suspension of our brokerage activities in the said segment, the suspension or disqualification of our officers or employees, or other adverse consequences. The imposition of any of these or other penalties could have a material adverse effect on our business, reputation, financial condition and results of operations.

6. Our contingent liabilities, which have not been provided for, could adversely affect our financial condition.

As of December 31, 2010 our contingent liabilities as per our Restated Financial Statements were ₹ 275.00 lacs, in the event the Company is called upon to pay such liabilities, its financial position and results of operations could be adversely affected.)

7. Our company has entered into a number of related party transactions, which may involve conflict of interest.

Our Company has entered into related party transactions the nature of which is as follows:

(₹ in Lacs)		
Nature of transactions	For the period ended on December 31, 2010	For the year ended on March 31, 2010
Brokerage income	13.19	16.54
Remuneration Paid	10.60	10.49
Rent paid	7.44	7.44
Investment	42.52	42.52
Guarantee Given	275.00	275.00

For further details, refer statement of related party transactions in Annexure XIV beginning on page no. 146 under the section Financial Statements of this DRHP.

8. Possible Conflict of Interest with our Group Company, Indo Thai Commodities Private Ltd. and Surana Estate and Commodity Trading Pvt. Ltd. may affect implementation of our business strategy.

Indo Thai Commodities Private Ltd. and Surana Estate and Commodity Trading Pvt. Ltd., our Group Companies is engaged in business of Commodities trading and to that extent there may be a conflict of interest with respect to business strategies of the Company. Also see "Group Companies – Indo Thai Commodities Private Ltd." on page 151 of this Draft Red Herring Prospectus. The main object of our group company Surana Estate & Commodity Trading Private Limited allow it to have business as carried out by the company. Though the company is in estate business, in the event if it decide to do the business which their main object permit, it may adversely affect the business interest of our company

9. Our business has negative cash flow in the period ended on 31st December, 2010 and financial year 2010, 2009, 2008, 2007 and 2006.

Cash flow of the company is key indicator to show the extent of cash generated from operations to meet capital expenditures, pay dividends, repay loans and make new investment without raising finance from external resources.

Particulars	December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Net Cash flow from operating activities	(45.88)	88.54	31.07	377.07	97.84	(2.51)
Net cash flow from Investing Activities	0.19	97.78	41.67	(296.15)	(14.44)	(12.97)
Net cash flow from Financing Activities	(8.58)	0.09	36.27	102.25	(45.80)	16.00

10. Our Company did not comply with Section 383A of the Companies Act, 1956 regarding the appointment of Whole Time Company Secretary. Such non-compliances may result in penalties or other action on our Company by the Statutory authorities.

Our Company did not comply with Section 383(A) of the Companies Act, 1956 regarding the appointment of Whole time Company Secretary for ceratin period in the year ended on 31st March 2002 and 2006 and for the full year ended on 31st March 2008 & 2009. No action has been initiated or taken by any statutory authority for the above non compliance. Further, our company appointed Mr. Anurag Kumar Saxena on 16th November 2009 as a full time Company Secretary.

11. The company has not complied with AS15 – Accounting for retirement benefit in the financial statements.

The company accounts for Gratuity payable to its employees on payment basis, the above practice is in non compliance of recommendations of Accounting Standard - 15 "Employees Benefits" which prescribes actuarial valuation method for the same. Amount of such non provision as per actuarial valuation is currently unascertainable

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

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” on page 53 of this Draft Red Herring Prospectus.

13. *We are exposed to risks attributable to derivatives trading by clients.*

We offer our clients the facility to trade in derivative instruments in the securities and currencies markets, as permitted by applicable laws. Since these derivative instruments involve taking leveraged positions on the underlying assets, these are more risky to deal with compared to the other financial instruments. We may face financial losses if we fail to manage risks associated with the clients’ dealings in derivative instruments, particularly due to price and market volatility.

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

In compliance with requirements of the Indian stock exchanges, we maintain stock brokers’ indemnity policies that provide coverage. In addition, we maintain voluntary insurance coverage against general risks. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow could be adversely affected. Further, the Company does not maintain business interruption insurance and Directors’ liability insurance. If our arrangements for insurance or indemnification are not adequate to cover claims, including in the case of claims exceeding policy aggregate limitations or exceeding the resources of the indemnifying party, we may be required to make substantial payments and our financial condition and results of operations may be adversely affected.

15. *Our inability to attract and retain skilled personnel and significant competition for professional employees could adversely affect our business.*

We are a professionally managed company and are governed by our Board of Directors. We have, over time, built a strong team of experienced professionals to oversee the operations and growth of our businesses. We operate in a sector wherein professionals with diverse expertise are required and our ability to meet future business challenges depends on our ability to attract and recruit skilled personnel for our operations, and we face strong competition to recruit and retain skilled and professionally qualified staff. The loss of key personnel, particularly a senior professional or any inability to manage the attrition levels in different employee categories could adversely impact our business, growth plans and control over various business functions.

16. *Our business is dependent on the relationships formed by our relationship managers with our clients. Any events jeopardizing these relationships including the loss of our relationship managers will lead to a decline in our sales and profits*

Our business is dependent on our team of relationship managers who directly manage client relationships. We encourage dedicated relationship managers to service specific clients since we believe that this leads to long-term client relationships, a trust based business environment and over time, better cross-selling opportunities. Our business and profits would suffer materially if a substantial number of relationship managers either became ineffective or left the organization.

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

Our clients are required to deposit a minimum initial margin and are required to pay the balance settlement amount by the pay-in date for the transaction undertaken by us on their behalf. If a client

is unable to pay this balance amount before the pay-in date, we may be required to make the payment on behalf of the defaulting client, which may affect our profitability. In case of high market volatility or adverse movements in share price, it is possible that clients may not honour their commitment, and any inability on our part to pay the margins to the stock exchanges may be detrimental to our business, reputation and profitability.

18. Pricing and other competitive pressures may impair the revenues and profitability of our brokerage business.

We derive a significant portion of our revenues from our brokerage business. Along with other brokerage firms, we have experienced intense price competition in this business in recent years. In particular, the ability to execute trades electronically and through other alternative trading systems has increased the pressure on trading commissions, volume and spreads. We expect this trend toward alternative trading systems to continue. We believe we may experience competitive pressures in these and other areas as some of our competitors seek to obtain market share by competing on the basis of price. In addition, we face pressure from our larger competitors, which may be better able to offer a broader range of complementary products and services to brokerage clients in order to win their trading business. We are unable to ascertain the likely impact of such competitive pressures on our results and operations. If we are unable to compete effectively with our competitors in these areas, brokerage revenues may decline and our business, financial condition and results of operations may be adversely affected.

19. Our Operations are significantly concentrated in the central part of India and failure to expand our operations may restrict growth and adversely affect our business.

Our business is concentrated in the Central Part of India and the future expansion through the funds raised through the public issue is majority in Central Part of India. The growth of business and revenues will be achieved through the development of the business all over India. The concentration of business in Central Part of India region restricts the growth and anything adverse in particular to the region will adversely affect the business of the company.

20. We require certain regulatory approvals and periodical renewals for conducting our business and failure to obtain or retain them in a timely manner, or at all, may adversely affect our operations.

We require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by authorities such as the SEBI, the RBI, the Stock Exchanges, the FMC and certain other regulatory and government authorities, for operating our business. In particular, we are required to obtain a certificate of registration for carrying on each of our business activities from SEBI and other regulatory authorities that are subject to various conditions. If we fail to maintain such registrations and licenses or to comply with applicable conditions of such licenses, or a regulator claims we have not complied with such conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This will materially and adversely affect our business, financial condition and results of operations. We cannot assure you that we will be able to obtain approvals or renewals in respect of any application made by us, in a timely manner or at all. For further details, see "Regulations and Policies" and "Government Approvals" on pages 95 and 176 of this Draft Red Herring Prospectus, respectively.

21. Our results of operations have been, and may continue to be, adversely affected by Indian and international financial market and economic conditions.

Our business has been, and in the future could continue to be, materially and adversely affected by Indian and international market and economic conditions. Such conditions in India include war; acts of terrorism; natural catastrophes; sudden changes in economic and financial policies; fluctuations in interest rates; and corporate or other scandals. International markets and economic conditions

include the liquidity of global financial markets, the level and volatility of debt and equity prices and interest rates; investor sentiment; inflation; the availability and cost of capital and credit; and the degree to which the international economies are expanding or experiencing recessionary pressures. The independent and/or collective fluctuation of these conditions could affect confidence in the financial markets leading to decline in investor interest and can directly and indirectly affect demand for our lending finance and financial products.

22. *Security breaches could adversely impact our business.*

Our computer systems and network infrastructure may be exposed to physical break-ins as well as security breaches and other disruptive problems caused by our increased internet connectivity. There is no assurance that the security systems and security measures employed by us, including firewalls designed to minimize the risk of security breaches are adequate. Breaches of our security measures could affect the security of information stored in and transmitted through these computer systems and network infrastructure. A failure in security measures could have a material adverse effect on our business and our future financial performance.

23. *Our industry is experiencing consolidation that may intensify competition.*

The financial services industry, both domestically and internationally, is undergoing change that has resulted in increasing consolidation and a proliferation of strategic transactions. This consolidation among our competitors could put us at a competitive disadvantage, which could cause us to lose customers, revenue and market share. They could force us to expend greater resources to meet new or additional competitive threats, which could harm our financial condition and operating results.

24. *We could be exposed to risks arising from misconduct, fraud and trading errors by our employees and Business Associates.*

Our employees execute trades on behalf of our clients on their instructions. Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us; hiding unauthorized or unsuccessful trading activities from us; or the improper use of confidential information. Such misconduct could result in unacceptable business risks, losses, invite regulatory sanctions and seriously harm our reputation and could even lead to litigation. Any delinquencies or trading errors on the part of our employees or Business Associates could materially affect our business operations, financial position and/or reputation.

25. *Our business is heavily dependent on technological systems and any interruptions in such systems could lead to decline in our sales and profits. A failure in our operational systems or infrastructure, or those of third parties, could impair our liquidity and absence of comprehensive business continuity and disaster recovery plan may lead to a temporary disruption of our business operations and damage our reputation and cause losses.*

We are dependent on our technology systems to perform the critical function of gathering, processing and communicating information efficiently, securely and without interruptions and our ability to process, on a daily basis, a large number of transactions. Our financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, adversely affecting our ability to process these transactions. Our operations are highly dependent on the integrity of our technology systems and our success depends, in part, on our ability to make timely enhancements and additions to our technology in anticipation of client demands.

26. *We operate on leased premises and we may lose possession of leased properties and related buildings and other improvements.*

We propose to substantially expand our business. Presently, we operate from leased properties. On increasing the scale of our operations, we may in the future enter into lease agreements. Any adverse

impact on the title, ownership rights and/or development rights of the owners from whose premises we operate, or breaches of the contractual terms of such lease agreements and/or leave and license agreements including delay in payment of annual rent, usage of the property other than for the purpose for which it was allotted, or transfer or assignment of land without prior consent of the lessor, may impede our operations. In the event such leases or licenses are not renewed, our operations and in turn profitability will be adversely impacted.

27. Service Agreement is in the name of our Group Company Indo Thai Commodity Exchange Pvt. Ltd. for VSAT

The Service Agreement for VSAT is signed between Indo Thai Commodity Exchange Pvt. Ltd. (Group Company) and HCL Comnet Systems & Services Ltd. (Maintenance Service Provider). The maintenance service is carried out for the VSAT and other peripherals which is used by Indo Thai Commodity Exchange Pvt. Ltd. and Indo Thai Securities Ltd. If in future, any conflict with the Group Company can adversely affect for the Service maintenance shared by ITSL.

28. We have limited protection of our intellectual Property - The Trademark of the Company.

We have filed the application of Trademark with the Registrar of Trademarks and the same is pending for acceptance, so assurance can be provided that such application would be approved. Until such time that we receive registered trademarks, we can only protect our trademarks, name and logo through any action under relevant common laws, including seeking any relief against any unauthorized use of mark.

29. Our group Company has incurred losses in last three years.

Our group company has incurred losses during the last three years as set forth in the table below:

Group Company	For the year ended March, 31		
	2010	2009	2008
Geetanjali Buildcon Private Limited	(0.29)	(0.084)	(0.32)

(₹ In Lacs)

30. There are certain Restrictive Covenants attached to the loans given to our Company

The loans taken by our Company have certain Restrictive Covenants attached to it. For the details of the Restrictive Covenants kindly refer to page 166 of this DRHP.

31. Our Promoters and Directors or Key Management Persons may deemed to be interested in our Company, other than reimbursement of expenses incurred or remuneration.

Our Promoters and Directors or Key Management Persons may deemed to be interested to the extent of the Equity Shares held by them, or their relatives or person forming part of Promoter Group, and benefits deriving from their directorship in our Company. Our Promoters are interested in the transactions entered into between our Company and themselves as well as between our Company and our Promoter Group. For further details, please refer to the chapters titled "Our Business - Property and "Our Promoters and Promoter group", on page nos. 92 and 122 respectively and also "Related Party Transactions" on page no. 146 of this Draft Red Herring Prospectus

Prominent Notes

1. Based on our restated financial statements, the net asset value per equity share having a face value of ₹ 10 each was ₹ 13.30 per share as of December 31, 2010 and ₹ 11.39 per share as of March 31, 2010.
2. Public Issue of 40,00,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating upto ₹ [●] Lacs.
3. Our Company's net worth as per the restated financial statement as at December 31, 2010 was ₹ 797.92 Lacs and as on March 31, 2010 was ₹ 683.22.
4. The average cost of acquisition of equity shares (on 'first in first out' basis) by each of our Promoters, is as set out below

Name of the promoters	Number of equity share	Cost of acquisition
Dhanpal Doshi	1177500	1.04
Parasmal Doshi	1140900	0.02

For further details, see "Capital Structure - History of Equity Share Capital held by Promoter" on page 41 of this Draft Red Herring Prospectus.

5. The Promoters, Directors and key managerial personnel are interested in the Company to the extent of remuneration and the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding, if any, in the Company. For further details, see "Capital Structure", "Our Promoters and Group Companies" and "Our Management" on pages 41, 122 and 103, respectively.
7. At present, except ITCPL, none of our group companies carry on activities, which conflict with our business. For more details, please refer "Common Pursuits" on page 121 of this DRHP.
8. For details of the transactions between our Company and our Group Companies please refer chapter titled "Auditors Report on Restated Financial Information - Related Party Transactions" on page no. 146 of this DRHP.
9. For any clarification or information relating to the Issue shall be made available by the BRLM and our Company to investors at large and no selective or additional information will be available for any subset of investors in any manner whatsoever. The investors may contact BRLM for any complaint pertaining to the Issue.
10. For details of the transactions between our Company and our Group Companies please refer section titled "Financial Information - Related Party Transactions" on page no. 146 of this DRHP.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Indian Economy

India's gross domestic product (GDP) is projected to expand at 9.2 per cent in 2010-11 as compared to the growth of 7.4 per cent in 2009-10. According to a survey by the Confederation of Indian Industry (CII) and ASCON, around 50 segments (out of 127) in the manufacturing sector grew by 39 per cent, entering the 'excellent growth' category, during April-December 2010-11 compared to 29 sectors (22.9 per cent) in April-December 2009 which shows a marked improvement.

The Economic scenario

Foreign injections amounted to US\$ 6.4 billion in October 2010, which was almost 25 per cent of the total inflows in the stock market registered so far in 2010. FIIs have made investments worth US\$ 4.11 billion in equities and poured US\$ 667.71 million into the debt market.

Equity capital raised by companies more than doubles in FY10

Positive trends were seen in the primary market segment during the first half of FY10. During FY10, nearly ₹ 550.5 bn equity capital was raised through 73 issues, higher than ₹ 147.2 mn mobilised through 46 issues during FY09.

IPOs raise robust capital in 2010

Spurred by better financial environment, 39 companies came out with IPOs during FY10 as against 21 during FY09. The share of public issues in total resource mobilisation increased to 85.6% during FY10 from 22.1% in FY09 whereas the share of rights issues declined from 77.9% in FY09 to 14.5% in FY10.

Growth potential story

The data centre services market in the country is forecast to grow at a compound annual growth rate (CAGR) of 22.7 per cent between 2009 and 2011, to touch close to US\$ 2.2 billion by the end of 2011, according to research firm IDC India's report published in March 2010.

Economic Growth

The growth in real Gross Domestic Product (GDP) is placed at 8.9 per cent in the second quarter of 2010-11; agriculture grew by 4.4 per cent; industry by 8.9 per cent and services by 9.8 per cent. As per the Revised Estimates (RE) of Central Statistical Organization (CSO), the growth in gross domestic product at factor cost at constant (2004-05) prices was estimated at 7.4 per cent in 2009-10 as compared to a level of 6.7 per cent in 2008-09 (Quick Estimate). At disaggregated level, this (RE 2009-10) level of growth comprises of 0.2 per cent in agriculture and allied activities, 9.3 per cent in industry and 8.5 per cent in services as compared to growth rates of 1.6 per cent, 3.9 per cent and 9.8 per cent respectively during 2008-09.

Securities Market in India and Abroad– An Overview

The year 2008 will go down in the history of the world as a year marked by financial markets in a turmoil; hundred year old institutions wiped out; major auto players on the brink of bankruptcy; currency, crude and metal prices showing wild gyrations etc.

Global Financial Crisis. The 2007-09 financial crises became apparent in the year 2007, though it had its roots in the closing years of the 20th century. Before the crisis erupted, the economies worldwide were

characterized by booming stock and real estate market, ample liquidity, low interest rates and lesser volatility in financial markets.

An overview of Indian securities markets

During the period 2008-09, the Indian securities market also witnessed a slowdown, inline with global scenario. The resource mobilization through primary market was ₹ 6,588,920 million (US \$ 129,320 million) crore down by 13.80% in 2008-09 from ₹ 5,789,720 (US \$ 144,852) million in 2007-08. In all 21 IPOs came to the market compared with 85 in 2007-08. Due to slack in liquidity conditions, the resources raised by India Inc. through euro issues also saw a sharp fall.

Equity market in India

Equity markets saw a significant uptrend during FY10 compared with downward and volatile trend in FY09. The BSE Sensex and S&P CNX Nifty appreciated 80.5% and 73.8 % respectively over FY09. The BSE Sensex increased 7,819 points to close at two year high level at 17,528 on Mar 31, 2010 from 9,709 on Mar 31, 2009. Capital Market Segment. The Capital Market (CM) segment (or the equity market segment) of NSE commenced its operations on November 4, 1995. The turnover in the Capital market segment witnessed a compound annual growth rate of 67.50% from ₹ 1,805 crore (US \$ 574.29 million) in the year 1994-95 to ₹ 4,138,023 crore (US \$ 916,709 million) in 2009-10. The CM segment of NSE provides an efficient and transparent platform for trading for various types of securities such as equity shares, preference shares, debentures, warrants, exchange traded funds as well as retail government securities.

FII turnover in Equity Market Segment The FII turnover in equity market segment on the Indian stock exchanges (NSE+BSE) accounted for ₹11,526,252 million (US \$ 226,226 million) i.e. 14.96 % of the total turnover on BSE and NSE of ₹ 77,037,880 million (US \$ 892,538 million) during 2008-09 as compared with the turnover of ₹17,035,445 million (US \$ 426,206) in 2007-08

Market Capitalisation

The total market capitalization of securities available for trading on the CM segment increased from ₹ 63,350 crore (US \$ 115,606 million) as at end March 1995 to ₹ 6,009,173 crore (US \$ 1,331,230 million) as at end March 2010.

Derivatives Market

Derivatives are meant to facilitate hedging of price risk of inventory holding or a financial/commercial transaction over a certain period. By providing investors and issuers with a wider array of tools for managing risks and raising capital, derivatives improve the allocation of credit and the sharing of risk in the global economy, lowering the cost of capital formation and stimulating economic growth. The financial derivatives gained prominence in post-1970 period due to growing instability in the financial markets and became very popular. In the recent years, the market for financial derivatives has grown both in terms of variety of instruments available, their complexity and turnover.

FII turnover in Derivatives Market Segment

The FII gross turnover in the F&O Segment of NSE during 2008-09 was ₹19,845,575 million (US \$ 389,511 million) which was 9.01% of the total derivatives market turnover of ₹ 220,209,640 (US \$ 2,161,037 million)

Market Performance Trading Volume

In the year 2009-10, the trading volumes increased by 50.36 % to ₹ 4,138,023 crore (US \$ 916,709 million) from ₹ 2,752,023 crore (US \$ 540,142 million) during 2008-09. The average daily trading volume

increased from ₹ 11,325 crore (US \$ 2,223 million) during 2008-09 to ₹ 16,959 crore (US \$ 3,757 million) during 2009-10.

Volume share of top 10 members in NSE increases to 72%

The share of top 10 members trading at the NSE increased substantially. The share rose from around 57% as on Mar 31, 2009 to approximately 72% the subsequent year.

Index Services and Products Ltd. (IISL), in technical partnership with S&P, have developed and have been maintaining scientifically an array of indices of stock prices on NSE. The popular indices are the S&P CNX Nifty, CNX Nifty Junior, S&P CNX Defty, S&P CNX 500, CNX Midcap, CNX 100, Nifty Midcap 50, S&P CNX Industry. Among the sectoral indices, the CNX IT index was the best performer which yielded returns of 152.55% followed by the S&P CNX Petrochemicals index which earned returns of 114.69% and the CNX Finance Index which yielded returns of 102.06%.

SUMMARY OF BUSINESS

We are one of the leading Stock Broking Companies across Central India. ITSL was promoted by professionals & experienced entrepreneurs and managed & lead by CA. Parasmal Doshi and CA. Dhanpal Doshi.

Our Company was incorporated on 19th day of January, 1995 and got the Certificate for Commencement of Business on 8th day of February, 1995.

ITSL commenced its business by obtaining membership of National Stock Exchange of India Limited in September, 1995. Company has always been in search of new avenues of business and in this regard, in addition to dealing in securities in capital market, it has also entered into Derivatives Market in the year of 2000. In this view in May' 2007 Company has started depository services by getting registered as Depository Participant with Central Depository Services (India) Limited, few months past became member of BSE, MCX-SX, USE in April' 2008, September'2009 and September' 2010 respectively. To boot its services Company has also started Mutual Fund Service System (MFSS) & Interest Rate Futures (IRF) from leading stock exchange of India namely National Stock Exchange of India Limited.

Company always desire to provide full options to its existing & prospective clients under a single roof. In the same view Company provides trading facilities to its client for not only in single segment, but also in Future & Options & Currency Derivatives Segments in addition to Capital Market Segment.

Our services are targeted at high net worth individuals and retail investors which are by far reached to 7200 across the country. We use a knowledge-based approach together with personalized services to meet our clients' needs in line with their investment objective. We could withstand the volatile market conditions based on this diversified base of customers and the speed and accuracy of our employees.

Our current workforce consists of 59 employees including our staff at the branches. Our registered office is located at Indore. Company is having network area all over India and running its business from more than 60 locations across 6 States of India including 14 branches in all over India. Our business locations also includes intermediaries or our "Business Associates", who deliver a standard quality of service based upon a predetermined revenue sharing ratio for the business generated through them.

Indo Thai group is having 13 Companies. Indo Thai Commodities Private Limited, the member of Indo Thai group is also servicing broking facilities to its clients in Commodity Derivatives Market. It was incorporated in November 2003. ITCPL is member of four national level commodity exchanges, namely National Commodity & Derivatives Exchange of India Limited (NCDEX), Multi Commodity Exchange of India Limited (MCX), India Commodity Exchange Limited (ICEX) and ACE Derivatives & Commodity Exchange Limited.

For facilitating ease in functionality, supervision and guidance enabling quick decision making in different business verticals, our Company including some group Company operates in the same premises located at 4th Floor, Dawa Bazar, R.N.T. Marg, Indore (M.P.).

We focused on our performance as a team. Motivated and qualified staff plays epic role in our business growth. In our senior management comprises experienced & qualified professionals. Three members of Board are Chartered Accounts. Our Chairman, Mr. Parasmal Doshi has experience of more than 25 years in the field of share & stock Market. Being a FCA, he also has rich experience on Capital Restructuring, Acquisitions, Mergers, International Finance, NRI/FDI Investments and Double Taxation Treaties. Our Managing Director, Mr. Dhanpal Doshi has experience of 20 years in the fields of trading system & function of Capital and Derivatives Market. Our whole time director, Mr. Rajendra Bandi has experience of 15 years in the fields of trading system and function of Capital Market & Derivatives Markets. In are Board ratio of executive directors & independent directors are equal and it gives us in implementing our business policies.

We achieve our goals by recruiting talented & professionals & skilled staff. Training & education

programs, seminars are organized to promote their skills, so they can give their best to Company with friendly environment.

We look for building the relationships with prospective clients and also focused on increasing our client base by strengthen relationship with them. We plan to expand our business primarily by increasing the number of client relationships, as we believe that increased client relationships will add stability to our business.

We offer a wide range of financial products and services to our investors which include capital market, Derivatives Market, Currency Derivatives Segment, Future & options, equity brokerage, with memberships in NSE, BSE MCX-SX, USE and Depository Participant of CDSL. Most of these services are customized to meet the needs of our clients in line with their investment objective.

We served more that 7200 clients and are not dependent on high networth individuals but also have a well diversified client base ranging from retail investors to Institutional. We revamped our risk management system in order to avoid any margin shortfall on broking clients or on funding clients. We adhere our surveillance policy strictly and without discriminations, we have deployed policy for monitoring and squaring off for not only for mass retail but also for high networth clients. We had designed deferent policies for namely 'Internal Control & Risk Management Policy' 'Prevention of Insider Trading', 'Anti Money Laundering Policy, These policies are also available at our official website. These have helped us in protecting our capital during adverse market movements and also sustain our financial performance during the last fiscal.

The whole Indo Thai Group believes in making, maintaining, strengthening the relations with our clients and business partners. Hence, we said that "INDO THAI, Trade with Confidence". We believe in complete transparency and satisfaction of our clients with an unwavering thrust, focus on professional excellence and integrity. In keeping with this philosophy, we focus on increasing our customer base in all over our products, giving them a platform of choice to transact and support them with quality research as well as on capturing the significant growth opportunities across the Indian financial services spectrum.

For providing better facilities to existing & prospective clients of the Company and to facilitate the pay-in and pay-out, the Company has depository services as Depository Participant of Central Depository Services Limited (CDSL).

The company has created its own website www.indothai.co.in for providing online trading services to the clients and intend to achieve operational efficiencies and maximize revenues through efficient use of technology, focused marketing and optimization of our resources. This would depend on our ability to maintain adequate capital and liquidity to absorb any adversities on broking and lending business, stabilizing the earning profile, improving upon the profitability and adherence to stringent risk management systems.

We are focused on increasing our concentration in the existing cities as well as expand into smaller cities and towns that we believe have the potential to grow. We propose to expand by increasing the network of our branches and are open to growth through the inorganic route including acquisitions. We believe that this network expansion, complemented by client-focused relationship management, will allow us to add new clients and help us grow our market share.

SUMMARY OF FINANCIAL INFORMATION

The following summary of financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009 and restated as described in the Auditor's Report of our Statutory Auditor's S. Ramanand & Co., Chartered Accountants dated 11th March, 2011 in the section titled 'Financial Information'. You should read this financial data in conjunction with our financial statements for each of Financial Years, 2006, 2007, 2008, 2009, 2010 and Nine months ended on 31st December, 2010 including the notes thereto and the reports thereon, which appears under the Section titled "Financial Information" and Chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 126 and 158 of the Draft Red Herring Prospectus.

STATEMENT OF RESTATED ASSETS AND LIABILITIES

(₹ in Lacs)

	Particulars	As at 31-Dec-10	As at 31-Mar-10	As at 31-Mar-09	As at 31-Mar-08	As at 31-Mar-07	As at 31-Mar-06
I	FIXED ASSETS						
	Gross Block	373.58	367.73	362.63	352.10	166.01	151.77
	Less : Depreciation	146.68	137.35	128.97	111.61	100.95	94.22
	Net block	226.90	230.38	233.66	240.49	65.06	57.55
	Capital work-in-progress including capital advances	-	-	-	-	-	-
		226.90	230.38	233.66	240.49	65.06	57.55
II	INVESTMENTS	78.25	81.40	64.39	73.21	71.21	42.52
III	CURRENT ASSETS, LOANS AND ADVANCES						
	Inventories	11.03	2.09	3.46	15.78	9.78	100.44
	Sundry debtors	1139.04	163.12	174.84	221.49	206.04	371.29
	Cash and bank balances	619.18	673.43	487.02	377.99	194.83	157.23
	Other current assets	0.01	0.059	-	-	0.02	0.51
	Loans and advances	240.06	210.09	207.96	196.75	85.56	113.33
		2009.32	1,049.32	873.28	812.00	496.23	742.80
IV	LIABILITIES AND PROVISIONS						
	Secured loans	184.20	171.70	165.88	120.84	8.27	49.67
	Unsecured loans	-	-	-	-	-	-
	Current liabilities	1231.91	470.32	491.00	523.69	227.06	408.12
	Provisions	100.59	35.53	25.45	45.18	17.85	23.36
		1516.70	677.55	682.33	689.71	253.18	481.15
V	DEFERRED TAX LIABILITIES (NET)	(0.15)	0.33	1.14	1.81	1.48	1.82
VI	NET WORTH	797.92	683.22	487.86	434.18	377.84	359.90

	(I+II+III-IV-V)						
	Represented by:						
	SHAREHOLDERS FUND		-	-	-	-	-
	Share Capital	600.00	200.00	200.00	200.00	200.00	200.00
	Securities premium account	-	-	-	-	-	-
	Profit and loss account	197.92	483.35	288.02	234.38	178.07	160.16
	Less: Miscellaneous expenditure (to the extent not written off or adjusted)	-	(0.13)	(0.16)	(0.20)	(0.23)	(0.26)
IX	NET WORTH (VII+VIII)	797.92	683.22	487.86	434.18	377.84	359.90

SUMMARY STATEMENT OF RESTATED PROFIT AND LOSS ACCOUNT

(₹ In Lacs)

Particular	For the year/ Period end on					
	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
INCOME						
Income from operations	393.92	473.68	258.64	374.71	204.93	251.37
Other income	7.70	31.77	4.73	2.34	3.98	6.15
Increase/ (Decrease) in inventories	-	-	-	-	-	-
	401.62	505.45	263.37	377.05	208.91	257.52
EXPENDITURE						
Cost of Securities	-	-	-	-	-	-
Staff cost	90.81	115.03	90.27	93.11	68.52	62.67
Operating expenses	51.20	22.48	24.49	33.99	21.69	26.76
Administrative expenses	79.62	98.58	71.57	145.92	74.97	118.39
Interest	-	-	-	5.98	-	-
Miscellaneous expenditure written off	0.13	0.03	0.03	0.03	0.03	0.03
Depreciation / Amortization	9.33	14.91	17.36	15.63	13.83	16.39
	231.09	251.03	203.72	294.66	179.04	224.24
PROFIT BEFORE TAXATION	170.53	254.41	59.64	82.41	29.86	33.29
Provision for tax	-	-	-	-	-	-
Current tax	56.44	59.89	5.79	24.72	11.15	12.17
Less: MAT credit entitlement	-	-	-	-	-	-
Deferred tax	(0.48)	(0.81)	(0.67)	0.33	(0.34)	(1.79)
Fringe benefit tax	-	-	0.89	1.04	1.14	1.47
Net profit after tax	114.57	195.33	53.63	56.31	17.92	21.44
Surplus brought forward from previous year	483.35	288.02	234.38	178.07	160.16	138.72
Adjusted profit available for appropriation	597.92	483.35	288.02	234.38	178.07	160.16

APPROPRIATIONS						
Bonus share Issue	400.00	-	-	-	-	-
Adjusted available surplus carried to Summary Statement of Restated Assets and Liabilities	197.92	483.35	288.02	234.38	178.07	160.16

STATEMENT OF RESTATED CASH FLOWS

(₹ in Lacs)

	Particulars	for the year ended 31-Dec-10	for the year ended				
			31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
A.	CASH FLOW FROM OPERATING ACTIVITIES						
	Profit before taxation	170.53	254.41	59.64	82.41	29.86	33.29
	Adjustment for:						
	Depreciation / Amortization	9.33	14.91	17.36	15.63	13.83	16.39
	(Profit) / Loss on sale of Investments (net)	-	(88.47)	(44.34)	-	-	-
	Interest income	(32.11)	(37.93)	(10.25)	(7.43)	(6.66)	(7.19)
	Interest expenses	21.08	5.73	8.76	10.32	4.41	8.96
	Unrealized exchange difference (net)						
	Dividend income	(0.18)	(2.22)	-	-	-	-
	Profit / Loss on sale of fixed assets	-	(0.52)	-	(0.64)	(0.67)	0.76
	Miscellaneous expenditure written back	0.13	0.03	0.03	0.03	0.03	0.03
	Provision for doubtful debts and advances (Net)	-	-	-	-	-	-
	Cash generated from operations before working capital changes	168.78	145.94	31.20	100.32	40.80	52.24
	Adjustment for:						
	(Increase)/ Decrease in inventories	(8.94)	1.36	12.32	(6.00)	90.66	(23.40)
	(Increase)/ Decrease in trade and other receivables	(975.92)	11.72	46.65	(15.45)	165.25	59.54
	Increase/ (Decrease) in current liabilities and provisions	826.64	(10.59)	(52.42)	323.96	(186.58)	(77.25)
	Cash generated from/ (used in) operations	10.56	148.43	37.75	402.83	110.13	11.13
	Direct tax paid (Net)	(56.44)	(59.89)	(6.68)	(25.76)	(12.29)	(13.64)
	Net cash from/ (used in) Operating Activities (A)	(45.88)	88.54	31.07	377.07	97.84	(2.51)
B.	CASH FLOW FROM INVESTING ACTIVITIES						
	Payments made for purchase of fixed assets/	(5.85)	(13.55)	(10.53)	(193.27)	(25.12)	(5.39)

	capital expenditure						
	Proceeds from sale of fixed assets	-	2.44	-	2.86	4.45	4.01
	Loans (granted)/ received back (net)	(29.40)	(2.72)	(11.21)	(117.17)	28.26	(18.78)
	Interest received	32.11	37.93	10.25	7.43	6.66	7.19
	(Purchase) / Sale of Investments	3.15	(17.01)	8.82	(2.00)	(28.69)	-
	(Profit) / Loss on sale of Investments (net)	-	88.47	44.34	-	-	-
	Dividend income	0.18	2.22	-	-	-	-
	Net cash from/ (used in) Investing Activities (B)	0.19	97.78	41.67	(296.15)	(14.44)	(12.97)
C.	CASH FLOW FROM FINANCING ACTIVITIES						
	Capital introduced/withdrawn (net)	-	-	-	-	-	-
	Proceeds from issue of shares (Refer note 2 below)	-	-	-	-	-	-
	Proceeds from borrowings (net of repayment)	12.50	5.82	45.03	112.57	(41.39)	24.96
	Interest paid	(21.08)	(5.73)	(8.76)	(10.32)	(4.41)	(8.96)
	Net cash from/ (used in) Financing Activities (C)	(8.58)	0.09	36.27	102.25	(45.80)	16.00
	Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	(54.26)	186.41	109.03	183.16	37.60	0.52
	Cash and Cash Equivalents at the beginning of the year/period	673.43	487.02	377.99	194.83	157.23	156.71
	Cash and Cash Equivalents at the end of the year/period	619.17	673.43	487.02	377.99	194.83	157.23
	Components of Cash and Cash Equivalents at the end of the year/period						
	Cash in hand	2.73	2.17	0.20	2.30	15.00	6.35
	Balance with scheduled banks	-	-	-	-	-	-
	Current account	32.65	185.49	46.21	269.86	68.50	28.93
	EEFC account	-	-	-	-	-	-
	Add: Effect of exchange difference (closing)	-	-	-	-	-	-
	Fixed deposit/ margin money	583.79	485.77	440.61	105.83	111.33	121.95
		619.17	673.43	487.02	377.99	194.83	157.23

BRIEF DETAILS OF THE ISSUE

Fresh Issue by Our Company	40,00,000 Equity Share of Rs 10 each for cash at a price of to Rs [•] per Equity Shares including a share premium of Rs [•] per Equity Shares aggregating to Rs [•]
Issue Price	₹ [•] Per equity share
Of which:	20,00,000 Equity Shares of face value of ₹ 10 each constituting upto 50% of the Net Issue to the Qualified Institutional Buyers (Allocation on a proportionate basis)
1. Qualified Institutional Buyers Portion	Of the above 20,00,000 Equity Shares, 1,00,000 Equity Shares shall be available for allocation to Mutual Funds The balance 19,00,000 Equity Shares shall be available to all QIBs, including Mutual Funds
2. Non – Institutional Portion	6,00,000 Equity Shares of face value of Rs 10 each constituting not less than 15% of the Net Issue to the Public (Allocation on a proportionate basis)
3. Retail Portion	14,00,000 Equity Shares of face value of Rs 10 each constituting not less than 35% of the Net Issue to the Public (Allocation on a proportionate basis)
Equity Shares outstanding prior to this Issue	60,00,000 Equity Shares
Equity Shares outstanding post this Issue	1,00,00,000 Equity Shares
Use of Proceeds	<i>Please refer to the Section titled “Objects of the Issue” beginning on page 53 of the Draft Red Herring Prospectus for additional information.</i>

Note:

Allocation to all categories shall be made on proportionate basis.

Under-subscription, if any, in any category would be met with spill over from other categories, or combination of other categories at the sole discretion of our Company in consultation with the BRLM. For further details please see “Issue Procedure” on page 195 of this DRHP.

In case of inadequate demands from the Mutual Funds, the Equity Shares would be made available to QIB's other than Mutual Funds.

GENERAL INFORMATION

Our Company was incorporated on 19th January, 1995, as “Indo Thai Securities Limited” under the provisions of the Companies Act, 1956 with Registrar of Companies, Gwalior, Madhya Pradesh, and obtained certificate of Commencement of Business on 8th February, 1995. For details of changes in our registered office, see the section titled “History and Other Corporate Matters” beginning on page no. 100 of this Draft Prospectus) Our Corporate Identity No. is U67120MP1995PLC008959

Registered Office of Our Company

INDO THAI SECURITIES LIMITED

16,4 th Floor, Dawa Bazar, R.N.T. Marg,

Indore (M.P.) – 452001 India

Tel. No. + 91 -731- 2705420-22

Fax No. + 91 -731- 2705423

Website: www.indothai.co.in

Email: ipo@indothai.co.in

For details of change in name and registered office, *please refer to the Chapter titled “History and Other Corporate Matters” beginning on page 100 of this Draft Red Herring Prospectus.*

Address of Registrar of Companies

Registrar of Companies of Madhya Pradesh and Chhattisgarh

3rd Floor, 'A' Block, Sanjay Complex

Jayendra Ganj,

Gwalior.(M.P.)

Tel: +91-751-2321907

Fax: +91-751-2331853

Email: roc.gwalior@mca.gov.in

Our Board of Directors:

The Board of Directors consists of the following:

Sr	Board of Directors	Designation	Status	DIN
1	Parasmal Doshi (Promoter Director of the Company)	Chairman, Whole-Time Director & CEO	Non-Independent and Executive Director	00051460
2	Dhanpal Doshi (Promoter Director of the Company)	Managing Director	Non-Independent and Executive Director	00700492
3	Rajendra Bandi	Whole-Time Director	Non-Independent and Executive Director	00051441
4	Omprakash Gauba	Director	Independent and Non Executive Director	00059231
5	Sunil Soni	Director	Independent and Non Executive Director	00508423
6	Sanjay Parmar	Director	Independent and Non Executive Director	02132478

For detailed profile of our Directors, *please refer to the Chapter titled “Our Management” and “Our Promoters and their Background” beginning on pages 103 and 119 & respectively of the Draft Red Herring Prospectus.*

Company Secretary and Compliance Officer

Mr. Anurag Kumar Saxena

INDO THAI SECURITIES LIMITED

16, 4th Floor, Dawa Bazar, R.N.T. Marg,

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Website: www.indothai.co.in

Email: ipo@indothai.co.in

Investors are advised to contact the Compliance Officer Mr. Anurag Kumar Saxena and/or SHAREPRO SERVICES (INDIA) PRIVATE LIMITED in case of any pre-Issue or post-Issue problems such as non-receipt of letters of Allocation, credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non receipt of funds by electronic mode etc.

BANKERS TO THE COMPANY:

1. IDBI Bank Ltd

Address	Alankar Chamber, Ratlam Kothi, Getta Bhawan Sq, Indore-452001
Branch	Ratlam Kothi, Indore
Tel	+ 91-731-6679110, 100, 121
Fax	+ 91-731-2518101
Email	vivek_nair@idbi.co.in
Website	www.idbi.co.in
Contact Person	Mr. Vivek B Nair

2. Indusind Bank Ltd

Address	15, Industry House, A.B Road, Indore (M.P) 452001
Branch	Indore
Tel	+ 91- 731-2542696-98
Fax	+ 91- 731 -2539092
Email	rajesh.mangal@indusind.com
Website	www.indusind.com
Contact Person	Mr. Rajesh Mangal

3. Yes Bank Ltd

Address	9/1/1, M.G. Road, Indore
Branch	Indore
Tel	+ 91-731-4275000
Fax	+ 91-731-4275200
Email	yestouch@yesbank.in
Website	www.yesbank.in
Contact Person	Mr. Manoj Jawalkar

4. Union Bank of India

Address	377, Jawahar Marg,
Branch	Siyaganj, Indore
Tel	+ 91- 731-2543105
Email	cbssiyaganj@unionbankofindia.com

Website	www.unionbankofindia.co.in/
Contact Person	Mr. A. K. Agarwal

5. Union Bank of India

Address	9/1. 9/2 Pipli Bazar, Mahavir Marg, Rajwada, Indore
Branch	M.G. Road, Indore
Tel	+ 91-731-2543285
Fax	+ 91-731-2543285
Email	cbsmgroad@unionbankofindia.com
Website	www.unionbankofindia.co.in/
Contact Person	Mr. R. K. Mishra (BM)

6. Canara Bank

Address	Manas Bhawan; 11, R.N.T. Marg, Indore-452001
Branch	R.N.T. Marg
Tel	+ 91-731-2528735
Fax	+ 91-731-2511969
Email	managerbpl0359@canbank.co.in
Website	www.canarabank.com
Contact Person	Mr. D.S.S.Ravindra, Chief Manager; Mr. S.D. Verma, Manager

7. Axis Bank Limited

Address	Universal Insurance Build Ground Floor P.M. Road, fort, Mumbai
Branch	Fort, Mumbai
Tel	+ 91-22-6610 7269
Fax	+ 91-22-6610 7284
Email	sanjay.patil@axisbank.com
Website	www.axisbank.com
Contact Person	Mr. Sanjay Patil

8. Axis Bank Limited

Address	Kamal Palace, 1 Yeshwant Colony, Y.N. Road, Indore
Branch	Y.N. Road, Indore
Tel	+ 91- 731-4295305
Fax	+ 91- 731-4295330
Email	vishal.mishra@axisbank.com
Website	www.axisbank.com
Contact Person	Mr. Vishal Mishra

9. Bank Of India

Address	Silver Mall, `C`-Wing, 8A, R.N.T. Marg, Indore -452001, M.P.
Branch	R.N.T. Marg, Branch
Tel	+ 91- 731-2526726
Fax	+ 91- 731-4087567
Email	sanyogitagani.indore@bankofindia.co.in
Website	www.bankofindia.co.in
Contact Person	Mr. S.D. Shrivastava

10. Canara Bank

Address	Verma Chambers, 1 st Floor, 11, Homji Street, Fort, Mumbai 400001
Branch	Stock & Commodity Exchange (NSE) Branch
Tel	+ 91- 22-22702833, 22675702, 22658290
Fax	+ 91- 22-22675650, 22670033
Email	managermcity2426@canbank.co.in
Website	www.icicibank.com
Contact Person	Mr. Arvind, Senior Manager

STATUTORY AUDITORS TO THE COMPANY

S Ramanand Aiyar & Co
Chartered Accountants
Add: 307, Nariman Point Building,
 96, Maharani Road, Indore- 452007
Member ship No. 129331
Firm Registration No.000990N
Tel: + 91-0731-2432112, 4045043
Mobile: 09425932112
Email: amitsinghvi@sraco.in
Website: www.sraco.com
Contact Person: Mr. Amit Singhvi

ISSUE MANAGEMENT TEAM

BOOK RUNNING LEAD MANAGER	REGISTRARS TO THE ISSUE
Corporate Strategic Allianz Limited SEBI REGN NO: INM 000011260 402, Samedh Complex, Near Associated Petrol Pump, C.G. Road, Ahmedabad – 380 006, Gujarat – India Tel: + 91-79- 2642 4138 Fax: + 91-79- 4002 4670 Email: ipo.itsl@csapl.com Investors Grievance Id: investors@csapl.com Website: www.csapl.com Contact Person: Mr. Chetan Sharma	Sharepro Services (India) Private Limited SEBI REGN NO.: INR000001476 607/608,Sagar Tech Plaza, A Wing, Sakinaka Junction, Andheri (East), Mumbai – 400 072, Maharashtra – India Tel: +91-22- 61915402 / 5404, Fax: +91-22- 61915444 Email: indothai.ipo@shareproservices.com Website: www.shareproservices.com Contact Person: Mr. Subhash Dhingreja/ Mr. Satheesh H. K.
LEGAL ADVISOR TO THE ISSUE	SYNDICATE MEMBER
Mr. B.M. Maheshwari Advocate and Solicitor 225,Milinda Manor, 2nd Floor, Opp. Central Mall, 2, R.N.T. Marg, Indore -452001, Madhya Pradesh- India Tel: + 91-731-4287029 Email: bmmlegal@gmail.com Contact Person: Mr. B.M. Maheshwari	[•] The Syndicate Member(s) shall be appointed prior to filing of the Red Herring Prospectus with RoC.
BANKER TO THE ISSUE AND ESCROW COLLECTION BANKS	REFUND BANKER TO THE ISSUE
[•] The Bankers to the Issue shall be appointed prior to filing of the Red Herring Prospectus with RoC.	[•] The Refund Banker(s) shall be appointed prior to filing of the Red Herring Prospectus with RoC.

SELF CERTIFIED SYNDICATE BANKS

[•]

The SCSBs as per updated list available on SEBI's website (www.sebi.gov.in) Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Corporate Strategic Allianz Private Limited is the sole Book Running lead Manager to the issue, all the responsibility of the issue will be managed by them.

CREDIT RATING

As this is an issue of Equity Shares there is no credit rating for this Issue.

IPO Grading

This Issue has been graded by [•]. The rationale furnished by the credit rating agency for its grading will be updated at the time of filing the Red Herring Prospectus with RoC.

Expert Opinion

Except the report of [•] in respect of the IPO grading of this Issue annexed herewith, the Company has not obtained any expert opinions.

Trustees

As this is an issue of Equity Shares, the appointment of Trustees is not required.

APPRAISAL AND MONITORING AGENCY

As the size of the Issue will not exceed ₹50,000 lakhs, the appointment of Monitoring Agency would not be required as per Regulation 16 of the ICDR Regulations.

However, as per the Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges upon listing of the Equity Shares and in accordance with the Corporate Governance requirements, the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue after the bidding/issue opening date, but before allotment of Equity shares and if so, the reason thereof shall be given as a public notice within two days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges where the specified securities were proposed to be listed shall also be informed promptly. The BRLM through the Registrar to the offer, shall notify the SCSBs to unblock the bank accounts of the ASBA bidders within one day from the date of receipt of such notification

If our Company withdraws the Issue after closure of bidding, we will be required to file a fresh draft offer document with the Securities and Exchange Board of India.

In the event of withdrawal of the Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, and every Director of our Company who is an officer in

default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

Book Building Process

Book building refers to the collection of Bids from investors, which is based on the Price Band, with the Issue Price being finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. Our Company;
2. The Book Running Lead Manager;
3. Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange (s) and eligible to act as underwriters. Syndicate members are appointed by Book Running Lead Manager;
4. Registrar to the Issue;
5. Escrow Collection Bank(s), Refund Bank(s).
6. Self Certified Syndicate Banks.

Regulation 43(2) of the SEBI (ICDR) Regulations, 2009 has permitted an issue of securities to the public through the 100% Book Building Process, wherein upto 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Qualified Institutional Buyers' portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue price. Further, not less than 15% of the Net Issue shall be available for allotment to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allotment to Retail Individual Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price.

QIBs are not allowed to withdraw their Bid(s) after the Bid /Issue Closing Date. In addition, QIBs are required to pay 100% margin amount upon submission of their Bids and the allocation to QIBs will be on a proportionate basis. For further details please refer the section titled Terms of the Issue on page 189 of the Draft Red Herring Prospectus.

We will comply with the SEBI (ICDR) Regulations, 2009 for this Issue. In this regard, we have appointed Corporate Strategic Allianz Limited as the BRLM to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI (ICDR) Regulations, 2009 is subject to change from time to time and Investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

Illustration of Book Building and Price Discovery Process

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

The Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20/- to ₹ 24/- per Equity Share, Issue size of 3,000 Equity Shares and receipt of five Bids from the Bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price will be made available at the websites of the BSE (www.bseindia.com) during the Bidding/ Issue Period. The illustrative book as set forth below shows the demand for the Equity Shares of our Company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price (₹)	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 our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The Issuer Company, in consultation with the BRLM, will finalize the Issue Price at or below such cut off price, i.e., at or below ₹ 22. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective category.

Steps to be taken for bidding

- 1) Check eligibility for making a Bid *(For details please refer to the paragraph titled "Who Can Bid" beginning on page 196 under Chapter titled "Issue Procedure" beginning on page 195 of this Draft Red Herring Prospectus);*
- 2) Ensure that the Bidder has a demat account and the demat account details are correctly mentioned in the Bid cum Application Form including ASBA Form;
- 3) Ensure that the Bid-cum-Application Form including ASBA Forms is duly completed as per instructions given in the Draft Red Herring Prospectus and in the Bid-cum-Application Form including ASBA Forms; and
- 4) Ensure that the Permanent Account Number is mentioned on Bid-cum-Application Form/ASBA Form. Bidders are specifically requested not to mention their General Index Register number instead of the Permanent Account Number as the Bid is liable to be rejected on this ground.

BID/ISSUE PROGRAMME

BID/ ISSUE OPENS ON: [●]	BID/ ISSUE CLOSES ON: [●]
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Bids and any revision in Bids shall be accepted **only between 10.00 am and 3.00 pm** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. Standardized cut-off time for uploading of bids on the bid/issue closing date is as under:

1. A standard cut-off time of 3.00 pm for acceptance of bids
2. A standard cut-off time of 4.00 pm for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
3. A standard cut-off time of 5.00 pm for uploading of bids received from retail applicants, where the Bid Amount is up to ₹ 2,00,000 which may be extended up to such time as deemed fit by Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, not later than the times mentioned above. All times mentioned in the Draft Red Herring Prospectus are Indian Standard

Time. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, our Company, the BRLM and the Syndicate Member shall not be responsible. On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Exchanges.

The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and advertised at least two working days prior to the Bid/Issue Opening Date. The announcement on the Price Band shall also be made available on the websites of the BRLM and at the terminals of the Syndicate.

We reserve the right to revise the Price band during the Bidding Period in accordance with SEBI (ICDR) Regulations, 2009. The cap on the Price Band should not be more than 20% of the floor of the Price band. Subject to compliance with the immediately preceding sentence, the floor of the Price band can move up or down to the extent of 20%.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLM and at the terminals of the Syndicate and to the SCSBs.

UNDERWRITING AGREEMENT

After the determination of the Issue Price and allocation of Equity Share, but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued in the Issue. Pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement dated [•], the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

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

(This Portion has been intentionally left blank and will be filled in before filling of Prospectus with ROC)

(₹ in Lacs)

Name and Address of the Underwriter	Indicative number of Equity Shares to be Underwritten	Amount Underwritten
Corporate Strategic Allianz Limited 402, Samedh Complex, Nr. Associated Petrol Pump, C.G. Road, Ahmedabad – 380006	[•]	[•]
[•]	[•]	[•]

The above-mentioned amount is indicative underwriting and would be finalized after determination of the Issue Price and actual allocation.

Our Board of Directors (based on a certificate given by the Underwriters), are of the opinion that the same are sufficient to enable them to discharge their respective underwriting obligations in full. The above mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers.

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

CAPITAL STRUCTURE

The Equity Share Capital of our Company as on the date of filing of this Draft Red Herring Prospectus with SEBI (before and after the issue) is set forth below:

	Particulars	Aggregate Nominal Value (₹)	Aggregate Value (₹) in lacs at issue Price
A.	AUTHORISED EQUITY CAPITAL		
	1,20,00,000 Equity Shares of ₹ 10/- each	12,00,00,000	1200.00
B.	ISSUED, SUBSCRIBED & PAID -UP CAPITAL BEFORE THE ISSUE		
	60,00,000 Equity Shares of ₹ 10/- each	6,00,00,000	600.00
C.	PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS#		
	40,00,000 Equity Shares of ₹ 10/- each at a premium of ₹ [•] per Share	4,00,00,000	[•]
	<ul style="list-style-type: none"> upto 50% QIB is 20,00,000* not less than 15% Non Institutional 600000 not less than 35% Retail 1400000 	<div>[•]</div> <div>[•]</div> <div>[•]</div>	<div>[•]</div> <div>[•]</div> <div>[•]</div>
D.	ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE PRESENT ISSUE		
	1,00,00,000 Equity Shares of ₹ 10/- each	10,00,00,000	[•]
E.	SHARE PREMIUM ACCOUNT		
	Share Premium account before the Issue	NIL	NIL
	Share Premium account after the Issue**	[•]	[•]

Note:

#The present issue of 40,00,000 equity shares in terms of this Draft Red Herring Prospectus has been authorised by a resolution of our Board dated 23rd July, 2010 and by a special resolution passed pursuant to Section 81(1A) of the Companies Act, 1956 at the AGM by the shareholders of our Company held on 20th August, 2010.

*5% of the QIB portion, i.e. 1,00,000 Equity Shares of ₹ 10 each are available for Allocation on a proportionate basis to Mutual Funds, and the remainder of the QIB portion shall be available for Allocation on a proportionate basis to all QIB Bidders, including Mutual Funds.

Subject to valid bids being received at or above the Issue Price, in case of under subscription, if any, in the Issue, spillover to the extent of under subscription shall be permitted from other categories or a combination of categories in the Issue at the description of our company in consultation with BRLM and the Designated Stock Exchange. Such inter-se spillover, if any, would be effectuated in accordance with applicable laws, rules, regulations and guidelines.

** The Securities Premium Account after the Issue will be determined after Book Building Process.

Notes to the Capital Structure

1. Details of increase in Authorised Equity Share Capital since incorporation.

Sr. No.	Particulars of Increase / Modification	Cumulative No. of Shares	Cumulative Authorised Capital (₹ in Lacs)	Date of Meeting	Whether EGM/AGM
1	On Incorporation	10,00,000	100.00	-	-
2	Increase from ₹ 100 to ₹ 200 Lacs	20,00,000	200.00	26.03.1997	EGM
3	Increase from ₹ 200 Lacs to ₹ 220 Lacs	22,00,000	220.00	30.09.2002	AGM
4	Increase from ₹ 220 Lacs to ₹ 1200 Lacs	1,20,00,000	1200.00	20.03.2010	EGM

Share Capital History: Our existing Share Capital has been subscribed and allotted as under:

Date of Allotment/ Fully Paid Up	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Consideration	Remarks	Cumulative Number of Equity Shares	Cumulative Paid up Share Capital (₹)	Cumulative Share Premium (₹)
Jan 19, 1995	70	10	10	Cash	Subscribers to the Memorandum	70	700	NIL
March 29, 1995	1,04,370	10	10	Cash	Further allotment to Promoters/ Promoter Group and Others	1,04,440	10,44,400	NIL
July 30, 1995	7,85,360	10	10	Cash	Further allotment to Promoters/ Promoter Group and Others	8,89,800	88,98,000	Nil
March 09, 1996	6,500	10	10	Cash	Further allotment to Promoters/ Promoter Group and Others	8,96,300	89,63,000	Nil
March 12, 1996	4,000	10	10	Cash	Further allotment to Promoters/ Promoter Group and Others	9,00,300	90,03,000	Nil

March 18, 1996	99,700	10	10	Cash	Further allotment to Promoters/ Promoter Group and Others	10,00,000	1,00,00,000	Nil
March, 29 2000	10,00,000	10	10	Cash	Further allotment to Promoters/ Promoter Group and Others	20,00,000	2,00,00,000	Nil
July, 31 2010	40,00,000	10		Bonus	Bonus in the ratio of 2:1 #	60,00,000	6,00,00,000	Nil

Pursuant to EGM held on 19th July 2010, our company has issued 40,00,000 bonus shares in the ratio of Two share for every One shares held (2:1), by way of capitalization of general reserve to the tune of ₹ 400.00 Lacs. The said bonus shares are not ineligible as per regulation 33 of ICDR as the same are neither resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the Company.

2. Shares issued for consideration other than cash save and except as stated below, our company has not issue Equity Shares for consideration other than cash

Date of Allotment	Person to whom allotted	Number of Equity Shares allotted	Face Value (₹)	Reasons for allotment	Benefits accrued to the company
July 31 2010	Further allotment to Promoters/ Promoter Group and Others	40,00,000	10	Bonus in the ratio of 2:1	Nil

Note: Company has issue Bonus shares out of General Reserve in the ratio of 2 shares for one Equity share held.

3. Details of capital build up, Promoter's Contribution and Lock-in:

(a) Capital built up of the Promoters is detailed below:

Name of the Promoter	Date of Allotment / Transfer	Nature of Issue/ Allotment (Bonus, Rights etc)	No. of Equity Shares	Face Value (₹)	Issue/ Transfer Price	Consideration	% of total pre and post issue capital		Lock in Period
Mr. Parasmal Doshi	Jan 19, 1995	Subscription to Memorandum	10	10	10	Cash			1 year
	March 29, 1995	Allotment	10390	10	10	Cash			1 year
	July 30, 1995	Allotment	107500	10	10	Cash			1 year
	March 18, 1996	Allotment	19400	10	10	Cash			1 year
	March 29,	Allotment of	275000	10	10	Cash			3 years

	2000	Shares							
	Oct 23, 2006	Acquisition through transfer to from Mrs. Awantabai Doshi	10000	10	10	Cash			1 year
	March 29, 2007	Transfer of shares Suvidha Securities Pvt. Ltd.	(42000)	10	100	Cash			1 year
	July 31, 2010	Bonus* Shares	760600	10	Nil	Nil			3 years
Total			1140900				19.02	11.41	
Mr. Dhanpal Doshi	January 19, 1995	Subscription to Memorandum	10	10	10	Cash			1 year
	March 29, 1995	Allotment	18990	10	10	Cash			1 year
	July 30, 1995	Allotment	88500	10	10	Cash			1 year
	March 18, 1996	Allotment	15000	10	10	Cash			1 year
	March 29, 2000	Allotment	300000	10	10	Cash			3 years
	March 29, 2007	Transfer of shares to Prarambh Multitrade Private Limited	(20000)	10	100	Cash			
	March 29, 2007	Transfer of shares to Jolly Multitrade Private Limited	(10000)	10	100	Cash			
	July 31, 2010	Allotment of Bonus *	785000	10	Nil	Nil			3 years
Total			1177500				19.63	11.78	

* Pursuant to EGM held on 19th July, 2010, our company has issued 40,00,000 bonus shares in the ratio of Two share for every one shares held (2:1), by way of capitalization of general reserve to the tune of ₹ 400.00 Lacs. The said bonus shares are not ineligible as per regulation 33 of ICDR as the same are neither resulting from a bonus issue by utilisation of revaluation reserves nor unrealised profits of the Company.

All the Equity Shares are fully paid since the date of allotment. Further, none of the shares has been pledged by our promoters

(b) Details of Promoters' contribution locked in for three years:

Pursuant to Regulation 36 of SEBI (ICDR) Regulations aggregate of 21.21% of the post-Issue capital held by our Promoters shall be locked-in for a period of three years from the date of Allotment of Equity shares in this issue. The lock-in of the Promoters Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before listing of the Equity Shares.

Date of Allotment / Transfer/ Made fully paid up	Nature of Allotment (Bonus, Rights etc)	No. of Equity Shares	Face Value (₹)	Issue/ Transfer Price	Consideration (Cash/ Other than Cash)	% of post issue paid up capital	Lock in period
MR. PARASMAL DOSHI							
March 29, 2000	Allotment of Shares	275000	10	10	Cash	2.75 %	3 Years
July 31, 2010	Bonus	760600	10	Nil	Nil	7.61 %	3 Years
Total		1035600				10.36 %	
MR. DHANPAL DOSHI							
March 29, 2000	Allotment of shares	300000	10	10	Cash	3.00%	3 Years
July 31, 2010	Bonus	785000	10	Nil	Nil	7.85%	3 Years
Total		1085000				10.85 %	
Grand - Total		2120600				21.21 %	3 Years

In compliance with Regulation 33 sub-regulation (1) clause (b) of SEBI ICDR Regulations, the aforesaid shares are eligible to form a part of promoter's contribution.

Our Promoters have given specific written consent for inclusion of the aforesaid Equity Shares as a part of promoters contribution which is subject to lock-in period of 3 years from the date of Allotment of Equity Shares in the proposed issue or date of commencement of commercial production whichever is later. The above Equity Shares are eligible for computation of promoter's contribution and lock-in in terms of Regulation 33 of SEBI ICDR Regulations.

Other than the Equity Shares locked-in as Promoter's contribution for a period of three years as stated in the table above, the entire pre-issue capital of our company shall be locked in for a period of one year; as per Regulation 36 clause (b) and Regulation 37 of the SEBI ICDR Regulations.

The Promoters' contribution has been brought in being not less than the specified minimum lot and from the persons defined as Promoters under the SEBI ICDR Regulations.

1. We confirm that the minimum Promoters' contribution of 20% of the post-Issue Capital, which is subject to lock-in for three years, does not consist of:
 - a. Equity Shares acquired within three years before the filing of the Draft Red Herring Prospectus with SEBI for consideration other than cash and revaluation of assets or capitalisation of intangible assets or resulting from a bonus issued by utilization of revaluation reserves or unrealized profits of our Company or from bonus issue against Equity Shares which are ineligible for minimum Promoter's contribution.

- b. Securities acquired by our Promoters, during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue.
- c. Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- d. Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters under SEBI (ICDR) Regulations, 2009.
- e. Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoter's contribution subject to lock-in.
- f. Pledged Equity Shares held by our Promoters.

Details of transactions of purchase or sell by the promoter group and /or by the directors of the company which is a promoter of the issuer and/or by the directors of the issuer and their immediate relatives (as defined under sub-clause (zb) sub-regulation (1) Regulation 2 of the SEBI (ICDR) Regulations, 2009) in Equity Shares within six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI:

Transferor	Transferee	Date of Transaction	No. of Equity Shares	Purchase/ Sale Price	Nature of Transaction
Sanjay Jain	Varsha Doshi	16.02.2011	12000	10	Purchase of shares by immediate relative of promoter
Vimala Surana	Paras Doshi (H.U.F)	16.02.2011	49000	10	Purchase of shares by immediate relative of promoter
Vimala Surana	Dhanpal Doshi (H.U.F)	16.02.2011	20000	10	Purchase of shares by immediate relative of promoter
Vimala Surana	Master Nishit Doshi	16.02.2011	2500	10	Purchase of shares by immediate relative of promoter
Vimala Surana	Master Sarthak Doshi	16.02.2011	1000	10	Purchase of shares by immediate relative of promoter
Vimala Surana	Nivya Doshi	16.02.2011	1000	10	Purchase of shares by immediate relative of promoter

2. In terms of Regulation 39 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters locked-in for a period of one year can be pledged with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institutions, provided that the pledge of shares is one of the terms of sanction of such loan.

Further, the Equity Shares which have been locked-in for a period of three years as minimum Promoter's contribution can be pledged with any scheduled commercial banks or public financial institutions only if, in addition to fulfilling the aforesaid requirements, the loan (for which the Equity Shares are pledged) is towards financing one or more objects of this Issue. However, as on date of the Red Herring Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions

In terms of undertaking executed by our promoters, Equity shares forming a part of promoter's contribution subject to lock-in will not be disposed/sold/transferred by our promoters during that period starting from the date of filing of the Draft Red Herring Prospectus with SEBI till the date of commencement of lock-in period as stated in the Draft Red Herring Prospectus.

3. Till date, no Equity Shares have been allotted pursuant to any scheme approved under section 391-394 of the Companies Act, 1956.
4. None of our Equity Shares have been issued out of revaluation reserve of fixed assets.
5. Our Company does not have any Employee Stock Option Scheme /Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
6. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of registering the Red Herring Prospectus with the RoC and the Bid/Issue Closing Date shall be reported to the Stock Exchanges within Twenty-four hours of such transaction.
7. None of our Promoter, Promoter Group Entities, Directors or the relatives have financed the purchase of the Equity Shares of our Company by any other person or entity other than in normal course of business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing the Draft Red Herring Prospectus with SEBI.
8. Our Company, Our Promoter, Our Directors and the BRLM to this issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through the Draft Red Herring Prospectus.
9. An over-subscription to the extent of 10% of the net offer to public can be retained for the purpose of rounding off to the nearest multiple of allotment lot, while finalizing the Basis of Allotment.

Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the Post Issue paid-up capital is locked in.

10. In case of over-subscription in all categories, upto 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (including specific allocation of 5% within the category of QIBs for Indian Mutual Funds). Further a not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
11. Under subscription, if any, in the reserved category may be added to any other reserved category. Further, any unsubscribed portion, if any after such inter-se adjustments among the reserved categories shall be added back to the net offer to the public portion.

12. Under subscription, if any, in the Qualified Institutional Buyers Portion, Non-institutional Portion and Retail Portion shall be allowed to be met with spill over from the other categories, at the sole discretion of our Company and BRLM. However, if the aggregate demand by Mutual Funds is less than 5% of QIB Portion, the balance share available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to QIB Bidders.
13. As on the date of filing of this Draft Red Herring Prospectus with SEBI, the entire issued share capital of our company is fully paid-up. The Equity shares offered through this Public Issue will be fully paid up.
14. In terms of Regulation 40 of the SEBI Regulations, locked in Equity Shares held by the promoters may be transferred to and amongst the promoters/promoter group or to a new promoter or person in control of our company subject to continuation of the lock-in in the hand of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as applicable.
15. Equity Shares held by persons other than Promoter's, which are locked-in as per the provisions of Regulation 37 of SEBI ICDR Regulation may be transferred to any other person holding shares prior to the issue, subject to continuation of lock-in with the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.
16. As on the date of this, DRHP, none of the shares held by our Promoters/Promoters group are pledged with any financial institutions or banks or any third party as security for repayments of loans.
17. The Equity Shares which are subject to lock-in shall carry the inscription 'non-transferable' and lock-in period and the non-transferability of Equity Shares shall be intimated to the depositories namely NSDL and CDSL. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.
18. The BRLM and their associates do not hold any Equity Shares in our Company.
19. Our Company has not made any public issue since incorporation.
20. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
21. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares issued through the Prospectus are listed or application moneys refunded on account of failure of Issue.
22. Our Promoters and members will not participate in the Issue.
23. Our Company has not raised any Bridge loan against the proceeds of the Issue.
24. As on the date of filing of the Draft Red Herring Prospectus with SEBI, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
25. A Bidder cannot make a Bid for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
26. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this issue.

27. We presently do not have any intention or proposal to alter our capital structure for a period of Six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly, for our Equity Shares) except that if we acquire companies/ business or enter into joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

28. The shareholding pattern of our Company before the Issue as prescribed under clause 35 of the Listing Agreement is mentioned below:

Category Code (I)	Category of Shareholder (II)	No. of Shareholders (III)	Total No. of shares (IV)	No. of Shares held in Dematerialized form (V)	Total Shareholding as a % of total no of shares		Shares pledged or otherwise encumbered	
					As a % of (A+B) (VI)	As a % of (A+B+C) (VII)	No. of Shares (VIII)	As a % (IX) = (VIII)/(I V)*100
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/HUF	14	5094300	0	84.91	84.91	Nil	Nil
(b)	Central Government/ State Govt(s)	0	0	0	0	0	Nil	Nil
(c)	Bodies Corporate	0	0	0	0	0	Nil	Nil
(d)	Financial Institutions/Banks	0	0	0	0	0	Nil	Nil
(e)	Any Other (specify)	0	0	0	0	0		
	Sub-Total (A)(1)	14	5094300	0	84.91	84.91	Nil	Nil
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	Nil	Nil
(b)	Bodies Corporate	0	0	0	0	0	Nil	Nil
(c)	Institutions	0	0	0	0	0	Nil	Nil
(d)	Any Other (specify)	0	0	0	0	0	Nil	Nil
	Sub-Total (A)(2)	0	0	0	0	0	Nil	Nil
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	14	5094300	0	84.91	84.91		
(B)	Public Shareholding							
(1)	Institutions							
(a)	Mutual Funds/UTI	0	0	0	0	0	Nil	Nil
(b)	Financial Institutions/Banks	0	0	0	0	0	Nil	Nil
(c)	Central Government/State Government(s)	0	0	0	0	0	Nil	Nil

(d)	Venture Capital Funds	0	0	0	0	0	Nil	Nil
(e)	Insurance companies	0	0	0	0	0	Nil	Nil
(f)	Foreign Institutional Investors	0	0	0	0	0	Nil	Nil
(g)	Foreign Venture Capital Investors	0	0	0	0	0	Nil	Nil
(h)	Any Other (specify)	0	0	0	0	0	Nil	Nil
	Sub Total (B) (1)	0	0	0	0	0	Nil	Nil
(2)	Non Institutions							
(a)	Bodies Corporate	1	118500	0	1.98	1.98	Nil	Nil
(b)	Individuals-	8	27000	0	0.45	0.45	Nil	Nil
	(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh.							
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13	760200		12.66	12.66		
(c)	Any other (specify)	0	0	0	0	0	Nil	Nil
	Sub-Total (B)(2)	22	905700	0	15.09	15.09	Nil	Nil
	Total Public Shareholding (B)= (B)(1)+(B)(2)	22	905700	0	15.09	15.09	Nil	Nil
	Total (A)+(B)	36	6000000	0	100.00	100.00	Nil	Nil
(C)	Shares held by Custodians and against which the depository receipts have been issued	0	0	0	0	0	Nil	Nil
	(i) Promoter and Promoter Group	0	0	0	0	0	Nil	Nil
	(ii) Public	0	0	0	0	0	Nil	Nil
	GRAND TOTAL (A)+(B)+(C)	36	6000000	0	100	100.00	Nil	Nil

The Pre and Post Issue Shareholding pattern of our company is as follows: -

Sr.	Particulars	Pre- Issue		Post- Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
A	Promoters				
1	Mr. Parasmal Doshi	1140900	19.02		
2	Mr. Dhanpal Doshi	1177500	19.63		
3	Parasmal Doshi (HUF)	134500	2.24		
4	Dhanpal Doshi (HUF)	90500	1.51		

	Sub Total (A)	2543400	42.39	2543400	25.43
B	Promoter Group (Other than Promoter)				
1	Mrs. Varsha Doshi	1379850	23.00		
2	Mrs. Sadhana Doshi	798750	13.31		
3	Chandra Shekhar Doshi	12000	0.20		
4	Vijaya Jain	40500	0.68		
5	Rajmati Hingad	47400	0.79		
6	Master Nishit Doshi	121000	2.02		
7	Master Sarthak Doshi	31000	0.52		
8	Nivya Doshi	62500	1.04		
9	Kusum Doshi	28500	0.48		
10	Subhash Chand Jain	29400	0.49		
	Sub Total (B)	2550900	42.52	2550900	25.51
C	Others				
1	J.M Surana	114000	1.90		
2	C.P. Hingad-(HUF)	41100	0.69		
3	Navin Surana	10500	0.18		
4	Sapna Sethi	1500	0.03		
5	Prabha Sethi	1500	0.03		
6	Mayank Sethi	3000	0.05		
7	Jyoti Sanghvi	28200	0.47		
8	Hanumant Bhide	75000	1.25		
9	Vijayalaxmi Bhide	75000	1.25		
10	Vipin Bhide	75000	1.25		
11	Varsha Pande	90000	1.50		
12	V.G Pande	120000	2.00		
13	Bhaskar Narayan Nitsure	60000	1.00		
14	Suresh Lokhande	45000	0.75		
15	Deevarun Developers Pvt. Ltd.	118500	1.98		
16	Sanjay Jain	4500	0.08		
17	Hemant Agrawal	15000	0.25		
18	Praveen Bandi	4800	0.08		
19	Rajendra Bandi	3000	0.05		
20	Sunita Bandi	11400	0.19		
21	Saurabh Doshi	6000	0.10		
22	Sobhna Kotak	2700	0.05		
	Sub Total (C)	905700	15.09	905700	9.06
	Total Pre- issue Capital (A)+(B)+(C)	6000000	100.00	60,00,000	60.00
	Public Issue	-	-	40,00,000	40.00
	Total Post Issue Capital	-	-	1,00,00,000	100.00

29.The Top Ten Shareholders of our Company and their Shareholding is set forth below:-

(a) Particulars of the top ten shareholders as on the date of filling the Draft Red Herring Prospectus with SEBI.

Sr.	Name of the Shareholders	No. of Shares	% of then Issued Capital
1	Varsha Doshi	1379850	23.00
2	Dhanpal Doshi	1177500	19.63
3	Parasmal Doshi	1140900	19.02
4	Sadhana Doshi	798750	13.31
5	Paras Doshi (HUF)	134500	2.24
6	Master Nishit Doshi (Gardian-Dhanpal Doshi)	121000	2.02

7	V.G. Pande	120000	2.00
8	Deevarun Developers Pvt. Ltd.	118500	1.98
9	JM Surana	114000	1.90
10	Dhanpal Doshi (HUF)	90500	1.51

(b) Particulars of the top ten shareholders ten days prior to the date of filing the Draft Red Herring Prospectus with SEBI.

Sr.	Name of the Shareholders	No. of Shares	% of then Issued Capital
1	Varsha Doshi	1379850	23.00
2	Dhanpal Doshi	1177500	19.63
3	Paras Doshi	1140900	19.02
4	Sadhana Doshi	798750	13.31
5	Paras Doshi (HUF)	134500	2.24
6	Master Nishit Doshi (Gardian-Dhanpal Doshi)	121000	2.02
7	V.G. Pande	120000	2.00
8	Deevarun Developers Pvt. Ltd.	118500	1.98
9	JM Surana	114000	1.90
10	Dhanpal Doshi (HUF)	90500	1.51

(c) Particulars of the all the shareholders two years prior to the date of filing the Draft Red Herring Prospectus with SEBI.

Sr.	Name of the Shareholders	No. of Shares	% of the Issued Capital
1	Varsha Doshi	455950	22.80
2	Dhanpal Doshi	392500	19.63
3	Parasmal Doshi	380300	19.02
4	Sadhana Doshi	266250	13.31
5	Suvidha Securities Private Limited	52000	2.60
6	Poonam Investments & Financial Consultants Ltd	50000	2.50
7	Hakman Financial Services & Securities Pvt. Ltd.	35000	1.75
8	JM Surana	30000	1.50
9	Paras Doshi (H.U.F.)	23500	1.18
10	Meadow Venture Private Ltd.	22000	1.10

4. Except as disclosed below, none of our Key Managerial Personnel holds any-of our Equity Shares as on date of this Draft Red Herring Prospectus:

Sr. No.	Name	Number of shares held	Percentage (%) Pre issue holding
1.	Sadhana Doshi	798750	13.31%
2.	Hemant Agrawal	15000	0.25%
3.	Praveen Bandi	4800	0.08%

5. We have 36 shareholders as on the date of filing of the Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The objects of the issue are as follows:

1. Expansion and upgradation of our Existing Branches and Set up Network of Branches
2. Purchase of Office space for Mumbai regional office
3. Purchase & set up of Office space for Corporate office
4. Brand Building & Advertising
5. Augmenting Long Term Working Capital Requirement
6. General Corporate Purpose
7. Public Issue Expenses

Additionally we are seeking to achieve the benefits of listing, which we believe, would enhance our brand equity and provide liquidity to our shareholders.

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

Our Company intends to utilize the proceeds of the Issue, after deducting the Issue related expenses which is estimated at ₹ [●] Lacs ("Net Proceeds") for financing the above-mentioned objects. The Issue expenses, if any, paid out of the internal accrual will be replenished by the proceeds of the Issue.

Funds Requirement:

We intend to utilize the proceeds of this Issue for financing the growth of our business towards the under-mentioned activities. The details of utilization of proceeds are summarized in the table below:

(₹ in Lacs)		
Sr. No.	Particulars	Proposed Utilization of Issue Proceeds
1.	Expansion and upgradation of our Existing Branches and Set up Network of Branches	200.00
2.	Purchase of Office space for Mumbai regional office	400.00
3.	Purchase & set up of Office space for Corporate office	400.00
4.	Brand Building & Advertising	300.00
5.	Augmenting Long Term Working capital requirements	1000.00
6.	General Corporate Purpose	[●]
7.	Public Issue Expenses	[●]
	Total	[●]

The entire requirements of the objects detailed above are intended to be funded from the proceeds of the issue and therefore no amount is required to be raised through means other than the issue for financing the same. Accordingly, regulation 4(2) (g) of the SEBI (ICDR) Regulations, 2009, which require firm arrangement of finance through verifiable means towards seventy five percent of the stated means of finance excluding the amount to be raised through issue, does not apply to the issue.

Means of Finance

(₹ in Lacs)		
Sr.	Particulars	Amount
1.	Public Issue	[●]
2.	Internal Cash Accruals	[●]

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution or any independent organization. These fund requirements are based on our current business plan. The business in which we operate is very competitive and very dynamic and according to requirement of the time we have to revise our business plans. This may, subject to compliance with applicable laws and regulations, also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds at the discretion of our Management and is not subject to monitoring by any independent agency. Further, we cannot assure that the actual costs or schedule of implementation as proposed in the “Objects of the Issue” will not vary from the estimated costs or schedule of implementation and any such variance may be on account of one or more factors, some of which may be beyond our control and such variation may have an adverse effect on our future earnings and revenues.

In case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity may be met with by surplus funds, if any available in other activities, or from internal accruals or debt.

Details of the Objects:

1. EXPANSION AND UPGRADATION OF OUR EXISTING BRANCHES AND SET UP NETWORK OF BRANCHES

Our company is headquartered in Indore and we also operate from another 14 branch offices in 6 cities. The details regarding our existing set up of branches is given on Page No. 89 of this DRHP. Going forward we intend to set up 10 more branch offices in Jodhpur, Jaipur, Udaipur, Lucknow, Noida, Nagpur, Pune, Varodara, Ahemdabad, Raipur on leave and license basis.

(₹ in Lacs)

Sr. No.	Particulars	Estimated Amount
01.	Setting up additional 10 branches	150.00
02.	Upgradation of existing branches	40.00
03.	Contingency	10.00
	Total	200.00

We want to expand our reach in 10 more cities by setting up 10 branches on lease basis. The cost involved in setting up a new branch on leave and license basis primarily comprises of deposit/advance rent for leave and license Arrangements, expenditure on interiors, furniture & fixtures, electrical installation, installation of work station and network connectivity etc. Except the advance rent/deposit the other costs largely remain the same for similar sized branches in all the cities. We intend to utilize approx. ₹150 lacs for establishing 10 branches. The Details of the cost of establishing one branch is provided as below:

(₹ in Lacs)

Sr. No.	Particulars	Estimated Cost
01.	Deposit/ advance rentals (1000-1500 sq.ft.)	3.00
02.	Furniture & fixtures	6.00
03.	IT & Other office equipments	6.00
	Total	15.00

2. PURCHASE AND SET UP OF OFFICE SPACE FOR MUMBAI REGIONAL OFFICE

The Details of purchase of Office space & its set up at Mumbai:

(₹ in Lacs)

Sr. No.	Particulars	Estimated Cost
01.	Cost of acquisition of office space in Mumbai Central (1000-1200 sq.ft.)@ ₹ 35000/- per sq.ft.	350.00

02.	Furniture & fixtures	25.00
03.	IT & Other office equipments	25.00
	Total	400.00

3. PURCHASE & SET UP OF OFFICE SPACE FOR CORPORATE OFFICE

The Details of the cost of purchase & setup of Corporate Office space is provided below:

(₹ in Lacs)

Sr. No.	Particulars	Estimated Cost
01.	Cost of acquisition of office space (7000 sq.ft.)@ ₹ 3000/- per sq.ft.	210.00
02.	Furniture & fixtures	50.00
03.	IT & Other office equipments	140.00
	Total	400.00

Technology up-gradation would include installation and enrichment of servers, routers, firewalls, techno-packed computer systems, VSAT's, Internet Bandwidth and other computer peripherals. All these technical up-gradation would take place both at Corporate Office as well as Branch Office. Apart from this some part of the proceeds would also be utilized towards company's website maintenance. The Management of the company is committed to provide the facilities to its clients and keep up its pace to cope up with the ever changing technology. With the technological updation, the clients of the company get the facility to trade and enhance their capability. Apart from the above mentioned up-gradation, we also propose to provide our clients with the facility of online trading.

4. BRAND BUILDING AND ADVERTISEMENT

Brands are a means of differentiating an entity's products and services from those of its competitors. In the financial services sector, a strong brand will help us to make our services distinct and more reliable in competition. It will also increase awareness about the services provided by our company. In line with our company's expansion plan, we proposes to establish a recognized brand of our company. For this purpose, we intend to make advertisement in various forms of media, conduct investor awareness program and outdoor advertising. The total expenditure to be incurred is estimated to be ₹ 300 lacs, the details of which are given as under:

(₹ in Lacs)

Sr. No.	Particulars	Estimated Cost
a.	Investor awareness programs	50.00
b.	Advertisement in print media	110.00
c.	Advertisement in electronic media	50.00
d.	Outdoor advertising	90.00
	Total	300.00

5. AUGMENTING LONG TERM WORKING CAPITAL REQUIREMENT

Part of the Issue Proceeds will be used towards both long term working capital in the form of maintaining adequate levels of margin with the stock exchanges by the company. The margin requirements with the stock exchanges are determined by the stock exchanges on the basis of trading volumes, market volatility and to extent of open interests in respect of equity index/ stock futures. Such margin requirements comprise of "initial margin" representing initial margin paid and "margin deposits", representing additional margin over and above the initial margin, intra-day margin etc. for entering into contracts for equity, equity index/ stock futures, which are released on final settlement and/or squaring up of underlying contracts. Further, equity index/ stock futures are marked-to-market on a daily basis; in which case, "mark-to-market margin" is required to be provided, representing the net amount paid or received on the basis of movement in the prices of index/ stock

futures till the balance sheet date. While the initial margin and the margin deposits with the stock exchanges/ professional clearing members can be created by way of deposit of either stock or bank guarantees or fixed deposits with banks or cash, however, the marked-to-market margin is typically created by way of deposit of cash.

We propose to deploy ₹ 1000 lacs out of the proceed in the Fiscal 2012 and 2013 year towards enhancing the margins with the exchanges through either bank guarantees or fixed deposits with banks or cash. Such Margin infusion will enable us to undertake more business in equities and derivatives markets. This will enable us to strengthen the balance sheet and undertake more business in equity and derivatives market.

Details of margin maintained with exchanges in the form of FDRs and Bank Guarantee for the last three years are as under:

(₹ in Lacs)			
Particulars	F.Y. 31.03.2009	F.Y. 31.03.2010	F.Y. 31.12.2010
Margins maintained with the Stock Exchanges	417.00	455.00	645.00

6. GENERAL CORPORATE PURPOSE

The Issue proceeds will be first utilized towards the aforesaid items and the balance is proposed to be utilised for general corporate purposes including expenses towards strategic initiatives and strengthening our marketing capabilities, expansion of our operations domestically through organic or inorganic route, as may be available, which the company in the ordinary course of its business may face, or any other purpose as may be approved by the board.

7. PUBLIC ISSUE EXPENSES

The expenses for this Issue include Issue management fees, IPO grading expenses, selling commissions, underwriting commission, printing and distribution expenses, fee payable to other intermediaries, statutory advertisement expenses and listing fees payable to the Stock Exchanges, amongst others. The estimated Issue expenses are as under:

Activity	₹ In Lacs	% of the Issue Expenses	% of Total Issue Size
Fees Payable to Lead Manager	[•]	[•]	[•]
Fees Payable to Registrar	[•]	[•]	[•]
Fees Payable to Legal Advisor	[•]	[•]	[•]
Fees Payable to Appraising Entity	[•]	[•]	[•]
IPO Grading Fees	[•]	[•]	[•]
Advertising and Marketing Expenses	[•]	[•]	[•]
Printing and Stationery & Distribution	[•]	[•]	[•]
Brokerage	[•]	[•]	[•]
Others	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]

Interim Use of Proceeds

The management of our Company, in accordance with policies established by our Board from time to time, will have flexibility in deploying the Issue Proceeds. Pending utilization for the purposes described above, we intend to invest the funds in high quality liquid instruments including deposits with banks for the necessary duration or for reducing overdrafts. Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Issue

Proceeds. Our Company confirms that pending utilization of the Issue proceeds; it shall not use the funds for any investments in the equity markets.

Schedule of Implementation & Deployment of Balance Funds:

(₹ In Lacs)

Quarter wise Breakup		2011-12				2012-13				TOTAL
Sr	Particulars	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	Qtr. I	Qtr. II	Qtr. III	Qtr. IV	
1	Expansion and upgradation of our Existing Branches and Set up Network of Branches	0	0	30	30	30	45	45	20	200
2	Purchase of Office space for Mumbai regional office	0	0	325	75	0	0	0	0	400
3	Purchase & set up of Office space for Corporate office	0	0	50	50	75	100	125	0	400
4	Brand Building & Advertising	0	0	30	60	50	50	50	60	300
5	Augmenting Long Term Working capital requirements	0	0	200	250	250	300	0	0	1000
6	General Corporate Purpose	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
7	Public Issue Expenses	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
	Total	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

Deployment of funds

On the basis of Certificate dated March 11, 2011 from the Statutory Auditor of the Company S. Ramanand Aiyar & Co., Chartered Accountants, and the company has spent ₹ 5.06 Lacs towards Public Issue Expenses out of the Internal Cash Accruals of the Company.

Bridge Loan

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

Monitoring of Issue proceeds

As the size of the Issue will not exceed ₹50,000 lakhs, the appointment of Monitoring Agency would not be required as per Regulation 16 of the ICDR Regulations. Our Audit Committee will monitor the utilization of the Issue Proceeds. Pursuant to Clause 49 of the listing agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. We will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet till such time the Issue Proceeds have been utilized, clearly specifying the purpose for which such proceeds have been utilized. Further, our Company will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of Issue Proceeds from the Objects stated in the Draft Red Herring Prospectus. We will also, in our balance sheet till such time the Issue Proceeds have been utilized, provide details, if any, in relation to all such Issue Proceeds that have not been utilized thereby also indicating investments, if any, of such unutilized Issue Proceeds.

No part of the Issue Proceeds of this issue will be paid as consideration to our Promoters, directors, key managerial employees or group concerns/companies promoted by our Promoters.

BASIS FOR ISSUE PRICE

Investors should read the following summary along with the Sections titled “Risk Factors”, “About Us” and “Financial Information” beginning on pages 13, 69 and 126 respectively of the Draft Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and you may lose all or part of your investments.

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by way of book building.

QUALITATIVE FACTORS

- Experienced Management Team
- Diversified distribution network in regional space
- Strong relationships with our Clients
- Adequate internal controls and risk management system
- Integrated financial services provider

QUANTITATIVE FACTORS

Information presented in this section is derived from our Company's restated, financial statements as of and for the years ended March 31, 2010, 2009 and 2008 and for the Nine month period ended December 31, 2010, prepared in terms of the requirements of Paragraph B(1) of Part II of Schedule II of the Companies Act, 1956 and SEBI ICDR Regulations and included in the report dated 11th March, 2011 Statutory Auditor of the Company S. Ramanand Aiyar & Co., Chartered Accountants, as included in the Draft Red Herring Prospectus.

1. Adjusted Earnings Per Share

Period (1)	EPS (₹) (2)	Weight (3)	Weighted (4) = (2)*(3)
Year Ended March 31, 2008	0.94	1	0.94
Year Ended March 31, 2009	0.89	2	1.78
Year Ended March 31, 2010	3.26	3	9.78
Period ended December 31, 2010	1.91		
Weighted Average EPS		6	2.08

Notes:

- The earnings per share has been computed on the basis of adjusted profits and losses for the respective years / periods after considering the impact of accounting policy changes, prior period adjustments / regroupings Pertaining to earlier years, as per the auditor's report.
- The face value of each equity share is ₹ 10.
- Earnings per share calculations are in accordance with the Accounting Standard 20 “Earnings per Share” issued by Chartered Accountants of India.

2. Price Earning (P/E) in relation to Issue Price of Rs [●] per share

Particulars	At the Lower Band of Rs [●]	At the Upper Band of Rs [●]
Based on March 2009 EPS of ₹ [●]	[●]	[●]
Based on weighted average EPS of ₹ [●]	[●]	[●]
Industry PE Multiple:		
Highest- Centrum Capital Ltd	798.9	
Lowest- TCFC Finance Ltd	2.2	
Industry Composite	19.7	

(Source: Capital Market Vol. XXVI/04 date; April 18- May 01, 2011)

3. Return on Net worth

Year (1)	RONW% (2)	Weight(3)	Weighted (4) = (2)*(3)
Year Ended March 31, 2008	12.97	1	12.97
Year Ended March 31, 2009	10.99	2	21.98
Year Ended March 31, 2010	28.59	3	85.77
Period ended December 31, 2010	14.36		
Total			120.72
Weighted Average		6	20.12

*Net worth has been computed by aggregating share capital, reserves and surplus and adjusting for revaluation reserves, intangible assets and deferred tax assets as per our audited restated financial statements

4. Minimum Return on total Net Worth after issue needed to maintain pre-issue EPS of [●] is [●]

- At the higher end of the price band [●]%
- At the lower end of the price band [●]%

5. Net Asset Value (₹)

Particulars	NAV (₹)
As on March 31, 2010	11.39
As on December 31, 2010	13.30
After the Issue	[●]
Issue Price	[●]

NAV per equity share has been calculated as Net worth divided by weighted average number of equity shares. Weighted average number of equity shares has been computed as per AS 20.

6. Comparison of Accounting Ratios with Peer Group Companies

There are no strict comparables of the products and industry in which our Company operates based on the product line. Still for comparison purposes, we have tried to draw up a peer-set based on broader sectoral definition.

Name of the Company	Face Value (₹)	EPS (₹)	P/E	RONW (%)	NAV (₹)
Indo Thai Securities Ltd (Year Ended 31.03.2010)	10	3.26		28.59	11.39
Motilal Oswal	1	2.9	42.6	9.40	33.90

Edelweiss Capital	1	0.4	-	8.30	17.40
India Infoline	2	4.8	17.50	14.10	38.70
India Bulls Financial	2	7.3	9.50	7.20	130.40
Religare	10	3.6	175.60	2.00	217.80
Microsec Financial Service	10	3.5	7.00	19.10	64.30

Source: All figure are extracted from Capital Market Vol. XXVI/04 April 18- May 01, 2011

Industry: finance and Investment

7. The face value of our Equity Shares in ₹ 10 per share and the Issue Price of ₹ [●] is [●] times of the face value of our Equity Shares. The final price would be determined on the basis of the demand from the investors.

The BRLM believes that the Issue Price of ₹ [●] per Equity Shares is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the risk factors and our financials as set out in the Auditors Report in the Draft Red Herring Prospectus to have a more informed view about the investment proposition.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
M/s Indo Thai Securities Ltd.
Indore

Sub: Statement of Possible Tax Benefits Available to the Company and its shareholders.

Dear Sirs,

We hereby report that the enclosed statement provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income tax Act, 1961 and Wealth Tax Act, 1957 presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional 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 issue.

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

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

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

For S.Ramanand Aiyar & Co.
Chartered Accountants

Amit Singhvi
Partner
Membership No. 129331
Firm Reg No. 000990N

Date: March 11, 2011
Place: Indore

STATEMENT OF TAX BENEFITS

(i) SPECIAL TAX BENEFITS

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company.

2. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

There are no special tax benefits available to the shareholders of the Company.

(ii) GENERAL TAX BENEFITS

The Income Tax Act, 1961 and Wealth Tax Act, 1957 presently in force in India, make available the following general tax benefits to companies and to their shareholders. Several of these benefits are dependent on the companies or their shareholders fulfilling the conditions prescribed under the relevant provisions of the statute.

I. BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 ("THE ACT"):

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

1. As per Section 10(34) of the Act, income earned by the Company by way of dividend income from another domestic company referred to in section 115-O of the act is exempt from tax.
2. As per section 10(35) of the Acts, the following income will be exempt from tax in the hands of the Company:
 - a. Income received in respect of the units of a Mutual Fund specified under section 10(23D); or
 - b. Income received in respect of units from the Administrator of the specified undertaking; or
 - c. Income received in respect of units from the specified company:
3. As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the Company. However, income by way of long term capital gain shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the I.T. Act.
4. Under section 32 of the Act, the Company is entitled to claim depreciation subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.
6. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, short term

gains as computed above that are not liable to STT would be subject to tax at a rate of 30% (plus applicable surcharge and education cess) in case of a company.

7. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of: -
 - a. 20% of the capital gains as computed after indexation of the cost; or
 - b. 10% of the capital gains as computed without indexation.
8. The amount of tax paid under section 115 JB by the Company for any assessment year beginning on or after 1st April, 2010 will be available as credit to the extent specified in section 115 JAA for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provisions of Section 115 JAA.
9. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against income from any other source in the subsequent assessment years as per section 32(2) subject to the provisions of section 72(2) and section 73(3) of the Act.
10. Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

II. TO MEMBERS

A. Resident MEMBERS

1. As per section 10(34) of the Act, income earned by the resident member by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.
2. As per section 10(38) of the Act, long term capital gains arising to the resident member from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of such members.
3. As per section 111A of the Act, short term capital gains arising to the resident members from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.
4. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of: -
 - a. 20% of the capital gains as computed after indexation of the cost; or
 - b. 10% of the capital gains as computed without indexation.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.
6. As per the provisions of section 54F of the Act and subject to the conditions specified therein, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of

the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.

7. Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.
8. The assessee is not entitled to a deduction in respect of the Security Transaction Tax ('STT') paid by him against the income chargeable under the head 'Capital Gains'.

B. Non-Resident Indian MEMBERS

1. As per section 10(34) of the Act, income earned by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.
2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.
3. As per section 111A of the Act, short term capital gains arising from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.
4. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds, acquired in Indian currency, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be lower of :-
 - a) 20% of the capital gains as computed after indexation of the cost;
 - b) 10% of the capital gains as computed without indexation.
5. As per the first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, will be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost indexation benefit will not be available in such a case.
6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.
7. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) and subject to the condition specified therein arising on the transfer of the shares of the Company held by an individual will be exempt from tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.
8. In accordance with section 115E, income from investment or income from long- term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20%. Income by way of long term capital gains in respect of a specified asset (as defined in section 115C (f) of the act), shall be chargeable at 10%.

9. In accordance with section 115F, subject to the conditions and to the extent specified therein, longterm capital gain arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified asset.
10. In accordance with section 115G, it is not necessary for a Non resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act.
11. In accordance with section 115-I, where a Non Resident Indian opts not to be governed by the provision of chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax Act.
12. As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
13. Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.
14. Under the provisions of Section 195 of the Income Tax Act, any income (not being an income chargeable under the head 'Salaries'), payable to non residents, may be eligible to the provisions of withholding tax, subject to the tax treaty. Accordingly income tax may have to be deducted at source in the case of a non-resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee unless a lower withholding tax certificate is obtained from the tax authorities.
15. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the nonresident.

C. OTHER NON-RESIDENT SHAREHOLDERS (OTHER THAN FIIS AND FOREIGN VENTURE CAPITAL INVESTORS):

1. Under section 10 (34) of the Act, income earned by way of dividend (Interim or final) from domestic Company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.
2. As per section 111A of the Act, short term capital gains arising from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.

3. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds, acquired in Indian currency, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be lower of:-
 - a) 20% of the capital gains as computed after indexation of the cost;
 - b) 10% of the capital gains as computed without indexation.
4. As per the first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, will be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost indexation benefit will not be available in such a case.
5. Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or units of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or units is chargeable to STT.
6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees fifty lacs in a year.
7. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.
8. Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.
9. As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident.
10. Under the provisions of Section 195 of the Income Tax Act, any income (not being an income chargeable under the head 'salaries') which is chargeable under the provisions of the Act payable to non residents, is subject to withholding tax as per the prescribed rate in force. Accordingly income tax may have to be deducted at source in the case of a non-resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee unless a lower withholding tax certificate is obtained from the tax authorities.

D. FOREIGN INSTITUTIONAL INVESTORS (FII'S)

1. As per section 10(34) of the Act, income earned by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.
2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.
3. As per section 115AD read with section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in

India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.

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

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains (other than referred to in section 111A)	30

5. In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
6. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.

E. BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India, would be exempt from income tax subject to the conditions as the Central Government may notify.

However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115R of the Act.

F. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/ FUNDS

As per the provisions of section 10(23FB) of the Act, any income of Venture Capital Companies / Funds (set up to raise funds for investment in a venture capital undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified therein. However, the exemption is restricted to the Venture Capital Company and Venture Capital Fund set up to raise funds for investment in a Venture Capital Undertaking, which is engaged in the business as specified under section 10(23FB)(c).

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

G. BENEFITS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957

Shares of the company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence, no wealth tax will be payable on the market value of shares of the company held by the shareholder of the company.

NOTES:

- i. In the above statement only basic tax rates have been enumerated and the same is subject to surcharge and education cess, wherever applicable.
- ii. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
- iii. All the above benefits are as per the current tax laws (including amendments made by the Finance Act 2010), legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above.
- iv. Several of these benefits are dependent on the company and its shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.
- v. This statement is only extended 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 tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its investments in the shares of the Company.

SECTION IV: ABOUT US

INDUSTRY OVERVIEW

Disclaimer: Pursuant to the requirements of the SEBI (ICDR) Regulations, 2009, the discussion on the business of Our Company in the Draft Red Herring Prospectus consists of disclosures pertaining to industry grouping and classification. The industry grouping and classification is based on our Company's own understanding and perception and such understanding and perception could be substantially different or at variance from the views and understanding of third parties. The industry data has been collated from various industry and/or research publications and from information available from the World Wide Web.

The information in this section is derived from various government/Industry Association publications and other sources. Neither we, nor any other person connected with the issue has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Indian Economy

India's gross domestic product (GDP) to expand at 9.2 per cent in 2010-11 as compared to the growth of 7.4 per cent in 2009-10. Overall growth in industrial output was 10.8 per cent year-on-year (y-o-y) in October 2010. The growth in the industrial sector is expected to increase at 9.4 per cent in 2010-11, as compared to 9.2 per cent in 2009-10. According to a survey by the Confederation of Indian Industry (CII) and ASCON, around 50 segments (out of 127) in the manufacturing sector grew by 39 per cent, entering the 'excellent growth' category, during April-December 2010-11 compared to 29 sectors (22.9 per cent) in April-December 2009 which shows a marked improvement. Also, services sector is projected to expand by 10 per cent as compared to 8.6 per cent last year, led by the trade and transport segment. The major turnaround is expected from the agriculture and allied sector, which is being projected to grow by 5.7 per cent in 2010-11.

As per Use-based classification, the Sectoral growth rates in October 2010 over October 2009 are 7.7 per cent in Basic goods, 22 per cent in Capital goods and 9.5 per cent in Intermediate goods. The Consumer durables and Consumer non-durables have expanded by 31 per cent and 0.1 per cent respectively in the reported month.

The industrial output registered a robust growth of 10.8 per cent year-on-year (y-o-y) in October 2010. Among the three major constituents of the IIP, manufacturing and electricity recorded higher growth rates of 11.3 per cent and 8.8 per cent in October as against their corresponding levels of 10.8 per cent and 4 per cent for the corresponding month in 2009. The third constituent mining index registered 6.5 per cent in October 2010.

The Economic scenario

Foreign injections amounted to US\$ 6.4 billion in October 2010, which was almost 25 per cent of the total inflows in the stock market registered so far in 2010. The net foreign fund investment crossed the US\$ 100 billion mark on November 8 2010, since the liberalization policy was implemented in 1992. As per the data given by SEBI, the total figure stood at US\$100.9 billion, wherein US\$ 4.78 billion were infused in November itself. The humungous increase in investment mirrors the foreign investors' faith in the Indian markets. FIIs have made investments worth US\$ 4.11 billion in equities and poured US\$ 667.71 million into the debt market.

Data sourced from SEBI shows that the number of registered FIIs stood at 1,738 and number of registered sub-accounts rose to 5,592 as of November 10, 2010.

As on December 17, 2010, India's foreign exchange reserves totaled US\$ 294.60 billion, an increase of US\$ 11.13 billion over the same period last year, according to the Reserve Bank of India's (RBI) Weekly Statistical Supplement.

Moreover, India received foreign direct investment (FDI) equity worth US\$ 12.39 billion during April-October, 2010-11, taking the cumulative amount of FDI inflows during April 2000 - October 2010 to US\$ 179.45 billion, according to the Department of Industrial Policy and Promotion (DIPP).

The services sector comprising financial and non-financial services attracted 21 per cent of the total FDI equity inflow into India, with FDI worth US\$ 2,163 million during April-October 2010, while telecommunications including radio paging, cellular mobile and basic telephone services attracted second largest amount of FDI worth US\$ 1,062 million during the same period. Metallurgical industries were the third highest sector attracting FDI worth US\$ 920 million followed by power sector which garnered US\$ 729 million during the financial year April-October 2010.

Exports from India have increased by 26.8 per cent year-on-year (y-o-y) to touch US\$ 18.9 billion in November 2010, urging the Government to exude confidence that overall shipments in 2010-11 may touch US\$ 215 billion. For the April-November 2010 period, exports have grown by 26.7 per cent to US\$ 140.3 billion, while imports totaled up to US\$ 222 billion, expanding 24 per cent.

India's logistics sector is witnessing increased activity. According to the Indian Shipping ministry, the country's major ports handled 44.4 million tones of cargo during September 2010, 4.5 per cent higher as compared to 5.9 per cent growth in September 2009. Leading consultants Frost & Sullivan, as cited by The Economic Times, are expecting traffic to boost at Indian ports from 814.1 million tones (MT) to 1,373.1 MT from 2010 to 2015 at a CAGR of 11 per cent. The study group has underlined three key trends in the sector, namely, increase in containerized cargo, increased private sector participation and traffic diversion toward minor ports.

Foreign Tourist Arrivals (FTA) in India during the period of January- November 2010 were 4.93 million as compared to the FTAs of 4.46 million during the same period of 2009, showing a growth of 10.4 per cent. The Foreign Exchange Earnings (FEE) during the period of January-November 2010 were US\$ 12.88 billion as compared to US\$ 10.67 billion during the same period of 2009, registering a growth rate of 20.7 per cent, according to data released by the Ministry of Tourism.

The total telephone subscriber base in the country reached 742.12 million as on October 31, 2010, taking the overall tele-density to 62.51, according to the figures released by the Telecom Regulatory Authority of India (TRAI). Also the wireless subscriber base increased to 706.69 million.

The average assets under management of the mutual fund industry stood at US\$ 160.44 billion for the month of September 2010, according to the data released by Association of Mutual Funds in India (AMFI).

As per NASSCOM's Strategic Review 2010, the Indian IT-BPO sector continues to be the fastest growing segment of the industry and is estimated to aggregate revenues of USD 73.1 billion in FY2010, with the IT software and services industry accounting for USD 63.7 billion of revenues.

The cumulative production of vehicles in India grew by 32.4 per cent upto August 2010 as compared to the same period in 2009, Mr B S Meena, Secretary, Ministry of Heavy Industry, reported. Passenger vehicles, commercial vehicles and two-wheeler segments had all recorded impressive growth rates of 32 per cent, 49 per cent and 31 per cent, respectively during the period upto August 2010.

According to the Gem and Jewellery Export Promotion Council, jewellery shipments were worth US\$ 23.57 billion in April-November 2010, registering a rise of 38.25 per cent as compared to US\$ 17.05 billion in the corresponding period of 2009.

According to the Ministry of Civil Aviation, passengers carried by domestic airlines from January-November, 2010 were 46.81 million as against 39.35 million in the corresponding period of year 2009, thereby registering a growth of 18.9 per cent.

According to Ernst & Young (E&Y), a global consultancy firm, India is expected to receive more than US\$ 7 billion in private equity (PE) investments in 2010, on the back of robust economic growth. According to research firm VCCEdge, mergers and acquisition (M&A) deals worth US\$ 54.6 billion have been signed till December 15, 2010, significantly more than the previous high of US\$ 42 billion achieved in 2007.

The HSBC Market Business Activity Index, which measures business activity among Indian services companies, based on a survey of 400 firms, rose to 60.1 in November 2010 from 56.2 in October 2010.

Equity capital raised by companies more than doubles in FY10

Positive trends were seen in the primary market segment during the first half of FY10. Earlier, in FY09, volatility in stock markets, slowdown in economic growth, soft-pedaling of expansion plans by corporates, and poor investor response had led to a sharp fall in the number of issues and amounts raised through the primary market. The primary markets saw renewed activity in terms of resource mobilisation and number of issues during FY10, structuring it further from its relatively subdued pace in FY09. During FY10, nearly ₹ 550.5 bn equity capital was raised through 73 issues, higher than ₹ 147.2 mn mobilised through 46 issues during FY09.

IPOs raise robust capital in 2010

Spurred by better financial environment, 39 companies came out with IPOs during FY10 as against 21 during FY09. The amount raised through IPOs during FY10 was significantly higher at ₹ 247.9 bn compared with ₹ 20.8 bn during FY09. The share of public issues in total resource mobilisation increased to 85.6% during FY10 from 22.1% in FY09 whereas the share of rights issues declined from 77.9% in FY09 to 14.5% in FY10.

Growth potential story

The data centre services market in the country is forecast to grow at a compound annual growth rate (CAGR) of 22.7 per cent between 2009 and 2011, to touch close to US\$ 2.2 billion by the end of 2011, according to research firm IDC India's report published in March 2010. The report further stated that the overall India data centre services market in 2009 was estimated at US\$ 1.39 billion.

According to a report by research and advisory firm Gartner published in March 2010, the domestic BPO market is expected to grow at 25 per cent in 2010 to touch US\$ 1.2 billion by 2011. Further, the BPO market in India is estimated to grow 19 per cent through 2013 and grow to US\$ 1.8 billion by 2013. According to the report, the domestic India BPO services market grew by 7.3 per cent year-on-year in 2009.

The BMI India Retail Report Quarter 3, 2010 released in May 2010, forecasts that total retail sales will grow from US\$ 353 billion in 2010 to US\$ 543.2 billion by 2014.

According to a report titled 'India 2020: Seeing, Beyond', published by domestic broking major, Edelweiss Capital in March 2010, stated that India's GDP is set to quadruple over the next ten years and the country is likely to become an over US\$ 4 trillion economy by 2020.

India will overtake China to become the world's fastest growing economy by 2018, according to the Economist Intelligence Unit (EIU), the research arm of London-based Economist magazine.

Economic Growth

The growth in real Gross Domestic Product (GDP) is placed at 8.9 per cent in the second quarter of 2010-11; agriculture grew by 4.4 per cent; industry by 8.9 per cent and services by 9.8 per cent. As per the Revised Estimates (RE) of Central Statistical Organization (CSO), the growth in gross domestic product at factor cost at constant (2004-05) prices was estimated at 7.4 per cent in 2009-10 as compared to a level of 6.7 per cent in 2008-09 (Quick Estimate). At disaggregated level, this (RE 2009-10) level of growth comprises of 0.2 per cent in agriculture and allied activities, 9.3 per cent in industry and 8.5 per cent in services as compared to growth rates of 1.6 per cent, 3.9 per cent and 9.8 per cent respectively during 2008-09.

Table 1: Growth of GDP at factor cost by economic activity								
Industry		Growth			Percentage share in GDP			
		2007-08	2008-09 (QE)	2009-10 (RE)	2007-08	2008-09 (QE)	2009-10 (RE)	
1	Agriculture, forestry & fishing	4.7	1.6	0.2	16.4	15.7	14.6	
2	Industry	9.5	3.9	9.3	28.8	28.0	28.5	
a	Mining & quarrying	3.9	1.6	10.6	2.5	2.4	2.4	
b	Manufacturing	10.3	3.2	10.8	16.2	15.6	16.1	
c	Electricity, gas & water supply	8.5	3.9	6.5	2.0	2.0	2.0	
d	Construction	10.0	5.9	6.5	8.1	8.0	7.9	
3	Services	10.5	9.8	8.5	54.8	56.4	56.9	
a	Trade, hotels, transport & communication	10.7	7.6	9.3	25.9	26.1	26.5	
b	Financing , insurance, real estate & business services	13.2	10.1	9.7	16.4	16.9	17.2	
c	Community, social & personal services	6.7	13.9	5.6	12.5	13.4	13.1	
4	GDP at factor cost	9.2	6.7	7.4	100	100	100	
	(QE): Quick Estimate; (RE): Revised Estimate							

Table 2: Quarterly Estimate of GDP (Year-on-year in per cent)										
Items	2008-09				2009-10				2010-11	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1. Agriculture, forestry & fishing	3.2	2.4	-1.4	3.3	1.9	0.9	-1.8	0.7	2.5	4.4
Industry	5.4	4.6	1.6	2.1	5.7	8.4	11.1	13.3	11.3	8.9
2. Mining & quarrying	2.6	1.6	2.7	-0.3	8.2	10.1	9.6	14.0	8.4	8.0
3. Manufacturing	5.4	5.3	1.3	0.6	3.8	8.4	13.8	16.3	13.0	9.8
4. Electricity, gas & water supply	3.3	4.3	4.0	4.1	6.4	7.7	4.7	7.1	6.2	3.4
5. Construction	6.7	4.3	1.1	5.7	8.4	8.3	8.1	8.7	10.3	8.8
Services	9.6	9.7	11.4	8.3	7.9	10.5	7.2	8.4	9.3	9.8

6. Trade, hotels, transport & communication	10.3	9.8	4.4	5.7	5.6	8.2	10.2	12.4	10.9	12.1
7. Financing, insurance, real estate & bus. Services	9.2	8.9	10.2	12.3	11.7	11.3	7.9	7.9	7.9	8.3
8. Community, social & personal services	8.7	10.4	28.7	8.8	7.6	14.0	0.8	1.6	7.9	7.3
9. GDP at factor cost (total 1 to 8)	7.3	7.2	6.1	5.8	6.3	8.7	6.5	8.6	8.9	8.9

Securities Market in India and Abroad– An Overview

The year 2008 will go down in the history of the world as a year marked by financial markets in a turmoil; hundred year old institutions wiped out; major auto players on the brink of bankruptcy; currency, crude and metal prices showing wild gyrations etc.

Global Financial Crisis

The 2007-09 financial crises became apparent in the year 2007, though it had its roots in the closing years of the 20th century. Before the crisis erupted, the economies world wide were characterized by booming stock and real estate market, ample liquidity, low interest rates and lesser volatility in financial markets. The financial crisis happened in phases beginning with sub-prime crisis in US followed by collapse of one of the largest financial institution in the US, the Lehman Brothers; unraveling of Credit Default Swaps (CDS) and recession of certain developed and developing economies.

Country Turnover and Market Capitalization Analysis

Table 1-1: International Comparison of Stock Markets

Markets / Region	Market Capitalisation (US \$ mn)			Turnover (US \$ mn)			Turnover Ratio (in %)			Market Capitalisation Ratio (in %)			No. of listed Companies		
	2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
Developed Market	42,916,705	46,300,864	26,533,854	59,258,415	82,455,174	67,795,950	-	-	-	-	-	-	-	-	-
Australia	1,095,858	1,298,429	675,619	826,285	1,322,822	1,013,937	87	111	103	163	175	90	1,751	1,913	1,924
France	2,420,572	2,771,217	1,492,327	2,504,704	3,410,090	3,257,667	120	132	152	112	120	61	717	707	966
Germany	1,637,826	2,105,506	1,107,957	2,486,668	3,363,093	3,093,750	174	180	192	57	69	35	656	658	638
Hongkong	895,249	1,162,566	468,595	403,873	916,884	621,649	60	89	82	466	584	214	1,021	1,029	1,017
Japan	4,726,269	4,453,475	3,220,485	6,252,470	6,497,193	5,886,404	132	142	153	95	90	67	3,362	3,844	3,299
Singapore	276,329	353,489	180,021	184,380	384,227	270,909	62	122	101	231	274	121	461	472	455
UK	3,794,310	3,858,505	1,851,954	4,242,082	10,324,477	6,484,292	124	270	227	167	157	75	2,913	2,588	2,415
USA	19,425,855	19,947,284	11,737,646	33,267,643	42,613,206	36,467,431	183	217	232	150	149	85	5,133	5,130	5,603
Emerging Markets	10,458,582	18,262,550	9,227,306	8,226,944	16,361,131	12,720,872	-	-	-	-	-	-	-	-	-
China	2,426,326	6,226,305	2,793,613	1,635,121	7,791,702	5,470,529	102	180	121	107	238	89	1,440	1,530	1,604
India	818,879	1,819,101	645,478	638,484	1,107,550	1,049,748	93	84	85	102	200	60	4,796	4,887	4,921
Russia	1,057,189	1,503,011	1,321,833	514,362	754,537	562,230	64	59	75	166	183	124	309	328	314
Brazil	711,100	1,370,377	589,384	254,513	584,951	727,793	43	56	74	107	154	53	392	442	432
Indonesia	138,886	211,693	98,761	48,831	112,851	110,678	44	64	71	49	67	27	4,796	4,887	4,921
Korea	835,188	1,123,633	494,631	1,340,122	1,947,015	1,465,999	173	202	181	109	131	52	1,694	1,767	1,798
Malaysia	235,356	325,663	187,066	66,904	150,002	85,214	32	54	33	187	222	110	1,027	1,036	977
Taiwan	654,858	773,687	380,923	894,553	1,272,432	944,023	157	185	171	163	183	101	1,222	1,248	1,260
Mexico	348,345	397,725	232,581	80,095	115,617	108,202	27	31	34	46	49	34	131	125	125
World Total	53,375,287	64,563,414	35,811,160	67,485,359	98,816,305	80,516,822	-	-	-	-	-	-	-	-	-
USA as % of World	36.39	30.90	32.78	49.29	43.12	45.29	-	-	-	-	-	-	-	-	-
India as % of World	1.53	2.82	1.80	0.95	1.12	1.30	-	-	-	-	-	-	-	-	-

Securities Market in India and Abroad– An Overview

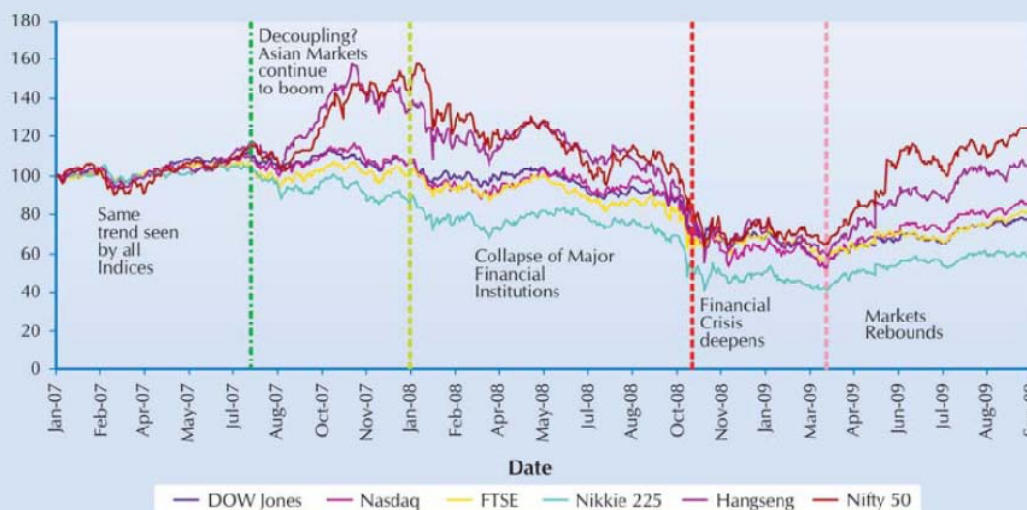
Table 1-2: Select Stock Market Indicators

Markets	Market Capitalisation as % of GDP				Turnover Ratio (%)					Listed Domestic Companies				
	2004	2005	2006	2007	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008
High Income	109	113	126	124	110.1	114.0	122.2	150.2	180.5	27,594	28,001	28,733	30,016	29,505
Middle Income	43.7	49.5	74.2	117	60.9	41.6	75.3	94.5	78.2	14,456	14,117	11,141	13,195	15,300
Low & Middle Income	43.8	50.1	73.3	114	72.4	53.7	78.2	94.3	77.8	22,444	20,873	17,263	20,106	16,834
East Asia & Pacific	41	41.3	85.1	165.1	103.5	50.0	123.1	163.5	112.0	3,582	3,794	3,525	4,080	3,868
Europe & Central Asia	32.8	45.8	66.7	77.3	37.9	59.0	68.5	64.1	68.8	7,776	7,023	4,490	6,070	3,882
Latin America & Caribbean	39.6	44.6	51.7	71.4	22.0	26.1	29.2	34.8	47.0	1,468	1,525	1,342	1,509	1,302
Middle East & N. Africa	37.1	49.1	48.9	56.1	64.4	16.5	27.0	28.3	28.7	1,803	1,627	1,078	1,443	772
South Asia	48.7	60.4	77.2	133.4	131.2	120.6	108.7	101.3	89.3	6,909	6,000	5,954	6,089	6,098
Sub-Saharan Africa	129.6	137.0	159.9	149.0	39.3	27.6	32.6	30.1	29.1	906	904	874	915	912
Low Income	44.5	54.2	67	40.5	130.5	107.6	96.6	93.3	69.3	7,988	6,756	6,122	6,911	1,534
India	56.1	68.6	89.8	155	115.5	93.6	96.4	95.9	85.2	4,730	4,763	4,796	4,887	4,921
World	96.3	99.6	114	121	72.4	53.7	78.2	94.3	--*	50,038	48,874	49,946	50,212	--*

Source: World Development Indicators 2008, World Bank.

* Aggregates not presented because data for high-income economies are not available for 2008

Chart 1-2: Movement of key stock market indices through the global financial crisis period (2007-09)



An overview of Indian securities markets

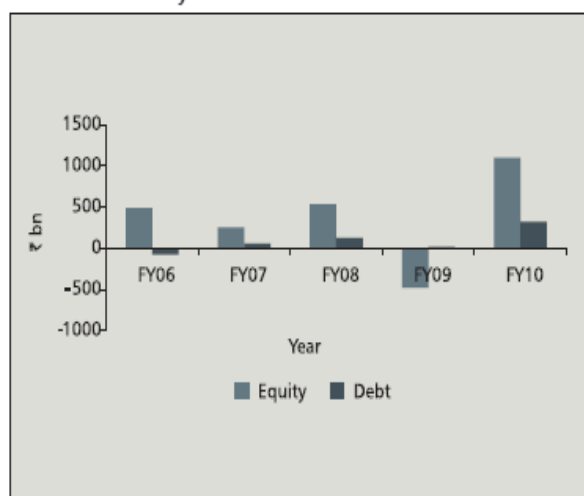
During the period 2008-09, the Indian securities market also witnessed a slowdown, inline with global scenario. The resource mobilization through primary market was ₹ 6,588,920 million (US \$ 129,320 million) crore down by 13.80% in 2008-09 from ₹ 5,789,720 (US \$ 144,852) million in 2007-08. In all 21 IPOs came to the market compared with 85 in 2007-08. Due to slack in liquidity conditions, the resources raised by India Inc. through euro issues also saw a sharp fall. In the secondary market, all stocks saw major correction in their prices. Even redemptions by mutual funds increased on a large scale and Foreign institutional investors pulled out money from the Indian markets.

Equity market in India

Equity markets saw a significant uptrend during FY10 compared with downward and volatile trend in FY09. However, at times, the domestic markets mirrored the uncertainties in international financial markets during FY10.

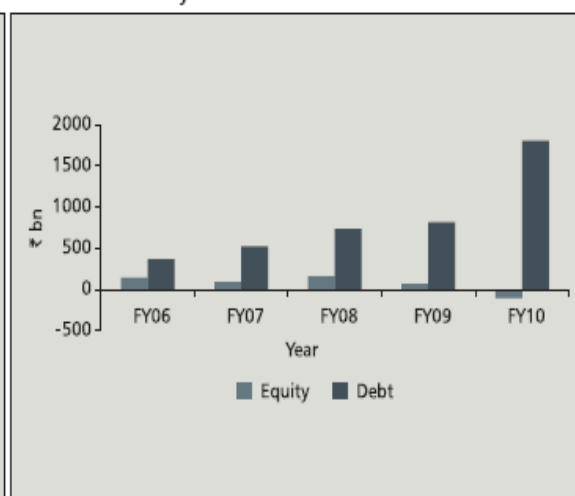
The markets were characterised by bouts of volatility during the year but largely remained investor friendly. The BSE Sensex and S&P CNX Nifty appreciated 80.5% and 73.8 % respectively over FY09. The BSE Sensex increased 7,819 points to close at two year high level at 17,528 on Mar 31, 2010 from 9,709 on Mar 31, 2009. The S&P CNX Nifty also increased 2,228 points to close at 5,249 points at the end of Mar 2010 over 3,021 at the end of Mar 2009, mainly driven by higher growth rate, positive market sentiment, better global environment, and FII inflows. With an increase in stock prices in FY10, the markets were privy to a substantial increase in turnover and market capitalisation.

Net Investments by FIIs



Source: SEBI

Net Investments by mutual funds



Source: SEBI

Capital Market Segment

The Capital Market (CM) segment (or the equity market segment) of NSE commenced its operations on November 4, 1995. The turnover in the Capital market segment witnessed a compound annual growth rate of 67.50% from ₹ 1,805 crore (US \$ 574.29 million) in the year 1994-95 to ₹ 4,138,023 crore (US \$ 916,709 million) in 2009-10. The CM segment of NSE provides an efficient and transparent platform for trading for various types of securities such as equity shares, preference shares, debentures, warrants, exchange traded funds as well as retail government securities.

FII turnover in Equity Market Segment

The FII turnover in equity market segment on the Indian stock exchanges (NSE+BSE) accounted for ₹ 11,526,252 million (US \$ 226,226 million) i.e. 14.96 % of the total turnover on BSE and NSE of ₹ 77,037,880 million (US \$ 892,538 million) during 2008-09 as compared with the turnover of ₹ 17,035,445 million (US \$ 426,206) in 2007-08

Market Capitalisation

The total market capitalization of securities available for trading on the CM segment increased from ₹ 63,350 crore (US \$ 115,606 million) as at end March 1995 to ₹ 6,009,173 crore (US \$ 1,331,230 million) as at end March 2010. The Market capitalization witnessed an increase of 107.49 % during 2009-10 as compared to the market capitalization of ₹ 2,896,194 crore (US \$ 568,439 million) in 2008-09. As compared with 2007-08, the market capitalization in 2009-10 increased by 23.69 %. The market capitalization ratio of NSE was 97.49% as of March 31, 2010.

Cash market turnover for top ten brokers and scrips

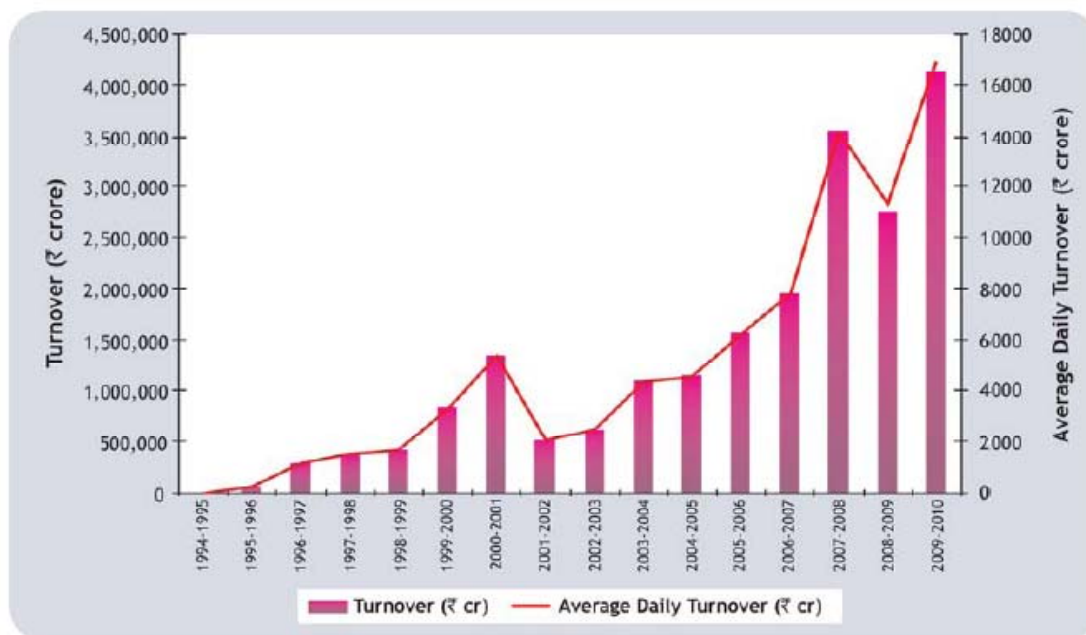
The share of top 10 brokers in annual cash market turnover in FY10 at the NSE and the BSE was 23.5% and 22.5% respectively. The share of top 10 securities in annual cash market turnover in FY10 at the NSE and BSE was 26.2% and 22.9% respectively. At the NSE, contribution in annual cash market turnover in FY10 reveals that proprietary trades, domestic institutions (excluding mutual funds), FIIs, and mutual funds contributed 26.4%, 2.9%, 13.2% and 3.9% respectively whereas others (including individuals, partnership firms, HUFs, Trusts, NRIs, etc) contributed 53.5%. Similarly, at the BSE, annual cash market turnover data for FY10 shows that proprietary trades, domestic institutions (excluding mutual funds), FIIs, and Mutual Funds contributed 22.9%, 1.5%, 6.3% and 2.4% respectively whereas others (including individuals, partnership firms, HUFs, Trusts, NRIs, etc) contributed 67.1%.

Share of brokers, securities and participants in cash market turnover

Particulars	% Share	
	NSE	BSE
Share of top 10 brokers in annual cash market turnover in FY10	23.48	22.52
Share of top 10 scrips/securities in annual cash market turnover in FY10	26.15	22.87
Share of participants in annual cash market turnover in FY10		
Proprietary Trades	26.39	22.89
Domestic Institutions (excluding Mutual Funds)	2.92	1.48
FIIs	13.21	6.23
Mutual Funds	3.99	2.39
Others	53.48	67.01

Source: SEBI

Business Growth of Capital Market Segment



City-wise Turnover in the CM Segment

The City wise turnover in the CM Segment of NSE is shown below:

(₹ In crore)

City	2005-06	2006-07	2007-08	2008-09	2009-10
Ahmedabad	3.00	2.90	3.38	5.27	6.96
Bangalore	1.65	1.33	0.80	0.62	0.64
Baroda	0.77	0.89	0.80	0.70	0.58
Bhubaneswar	0.02	0.02	0.01	0.00	0.00
Chennai	2.77	2.18	1.90	1.97	1.67
Cochin	0.61	0.54	0.51	0.76	1.44
Coimbatore	0.44	0.25	0.20	0.33	0.32
Delhi	13.37	13.54	14.67	14.97	14.88
Guwahati	0.02	0.03	0.02	0.01	0.01
Hyderabad	1.91	1.21	1.26	1.73	1.84
Indore	0.83	0.78	0.65	0.49	0.58
Jaipur	1.15	0.88	0.74	0.56	0.53
Kanpur	0.21	0.17	0.10	0.07	0.07
Kolkata/Howrah	11.39	10.59	10.96	9.24	8.26
Ludhiana	0.32	0.22	0.20	0.17	0.15
Mangalore	0.06	0.06	0.04	0.03	0.02
Mumbai / Thane	52.43	57.06	57.66	55.85	54.52
Patna	0.08	0.06	0.29	0.03	0.3
Pune	0.56	0.41	0.04	0.22	0.21
Rajkot	0.31	0.36	0.75	1.28	1.37
Others	8.10	6.54	5.01	5.70	5.91
Total	100	100	100	100	100.00

Derivatives Market

The emergence and growth of market for derivative instruments can be traced back to the willingness of risk-averse economic agents to guard themselves against uncertainties arising out of fluctuations in asset prices. Derivatives are meant to facilitate hedging of price risk of inventory holding or a financial/commercial transaction over a certain period. They serve as instruments of risk management. By locking-in asset prices, derivative products minimize the impact of fluctuations in asset prices on the profitability and cash flow situation of risk-averse investors. By providing investors and issuers with a wider array of tools for managing risks and raising capital, derivatives improve the allocation of credit and the sharing of risk in the global economy, lowering the cost of capital formation and stimulating economic growth. Now that world markets for trade and finance have become more integrated, derivatives have strengthened these important linkages between global markets, increasing market liquidity and efficiency and are seen to be facilitating the flow of trade and finance.

The financial derivatives gained prominence in post-1970 period due to growing instability in the financial markets and became very popular, accounting for about two-thirds of total transactions in derivative products. In the recent years, the market for financial derivatives has grown both in terms of variety of instruments available, their complexity and turnover. Financial derivatives have changed the world of finance through creation of innovative ways to comprehend measure and manage risks.

India's tryst with equity derivatives began in the year 2000 on the NSE and BSE. Trading first commenced in Index futures contracts, followed by index options in June 2001, options in individual stocks in July 2001 and futures in single stock derivatives in November 2001. Since then, equity derivatives have come a long way. New products; expanding list of eligible investors; rising volumes and best of risk management framework for exchange traded derivatives have been the hallmark of the journey of equity derivatives so far.

India's experience with the launch of equity derivatives market has been extremely positive. The derivatives turnover on the NSE has surpassed the equity market turnover. The turnover of derivatives on the NSE increased from Rs. 23,654 million (US \$ 207 million) in 2000-01 to Rs. 110,104,821 million (US \$ 2,161 bn) in 2008-09. The average daily turnover in this segment of the markets on the NSE was Rs. 453,106 mn in 2008-09.

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

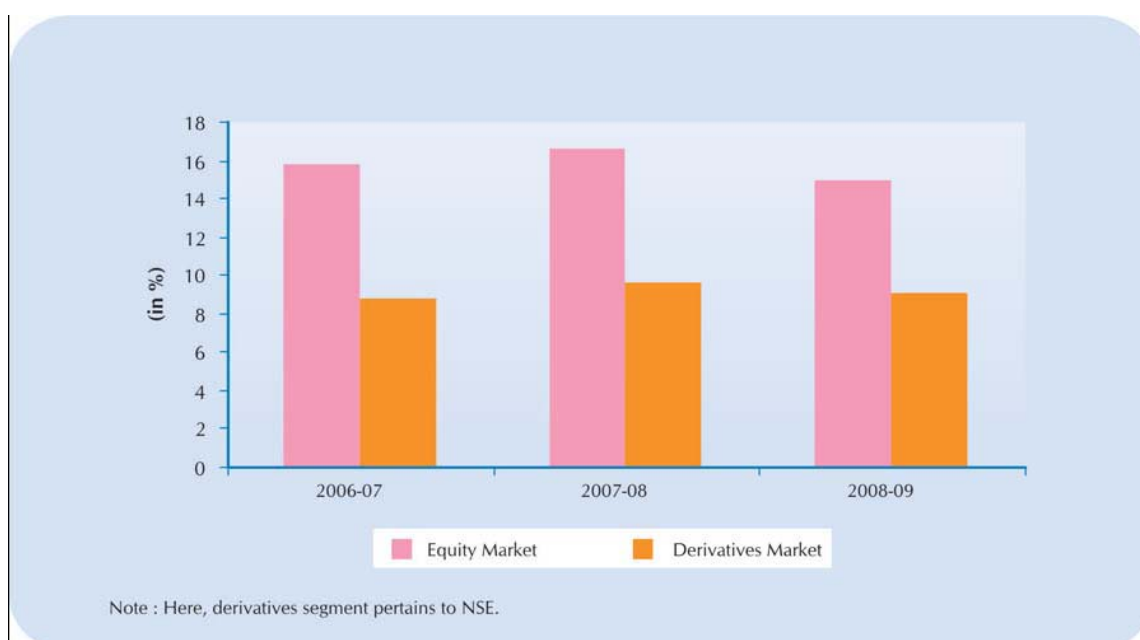
FII turnover in Derivatives Market Segment

The FII gross turnover in the F&O Segment of NSE during 2008-09 was Rs.19,845,575 million (US \$ 389,511 million) which was 9.01% of the total derivatives market turnover of Rs. 220,209,640 (US \$ 2,161,037 million) (Table 8-6 and Chart 8-4).

Table 8-6: FII Turnover in F&O Market Segment of NSE (Equity derivatives)

Year	Buy Value (Rs. million)		Sell Value (Rs. million)		Gross No. of contracts traded	Gross Turnover of FIIs	Total Turnover on NSE (Rs. million)	%age of FII turnover to Total Turnover on No. of Exchanges
	No. of Exchanges contracts	Amount (Rs.mn)	No. of contracts	Amount (Rs.mn)	No. of contracts	Amount (Rs.mn)	Amount (Rs.mn)	

2006-07	20,215,981	6,484,665	19,659,868	6,360,392	39,875,849	12,845,058	147,125,420	8.73
2007-08	47,880,785	12,633,510	46,078,979	12,401,616	93,959,764	25,035,126	261,809,560	9.56
2008-09	58,338,152	10,165,351	55,464,681	9,680,224	113,802,833	19,845,575	220,209,640	9.01
April - June 2009	15,232,138	3,562,077	15,231,627	3,612,879	30,463,765	7,174,956	78,051,900	9.19



Market Performance

Trading Volume

NSE's derivatives market witnessed an increase in volumes over the period 2003-2007. The market had achieved a growth of 522% over this period with volumes in the derivatives segment of NSE and BSE increasing from USD 494 bn in 2003-04 to USD 3336 bn in 2007-08.

However, the year 2008-09 saw a drop in volumes in this segment largely due to the global slowdown in the derivatives segment as an aftereffect of the sub-prime crisis. The turnover in this segment on the NSE fell 16% in 2008-09 as compared to 2007-08. The turnover on the BSE fall was a dramatic 97% over this period

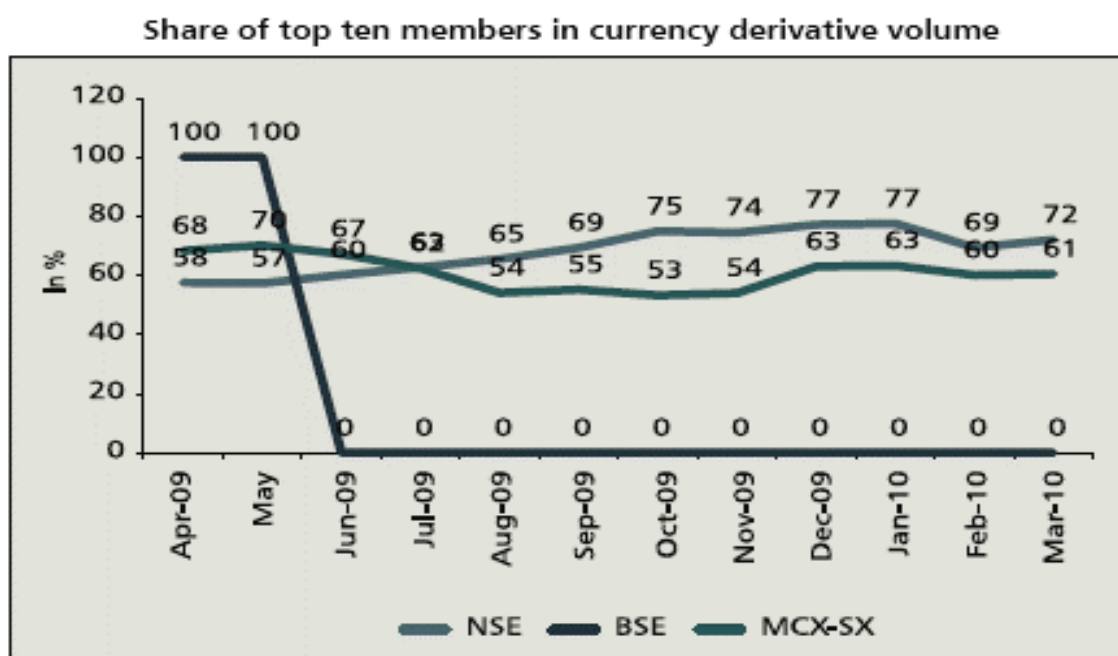
The share of BSE in the total derivative markets turnover fell from 1.81% in 2007-08 to 0.11% in 2008-09.

In the year 2009-10, the trading volumes increased by 50.36 % to ₹ 4,138,023 crore (US \$ 916,709 million) from ₹ 2,752,023 crore (US \$ 540,142 million) during 2008-09. The average daily trading volume increased from ₹ 11,325 crore (US \$ 2,223 million) during 2008-09 to ₹ 16,959 crore (US \$ 3,757 million) during 2009-10. The remarkable aspect was that the trading volumes in the year 2009-10 showed a growth of 16.53 % over the trading volumes witnessed in 2007-08. The business growth of the CM segment from 1994-95 till 2009-10 is shown in Table 4-1 and Chart 4-1.

Currency derivative market in India

Volume share of top 10 members in NSE increases to 72%

In terms of volumes of the currency derivatives segment, the share of top 10 members trading at the NSE increased substantially. The share rose from around 57% as on Mar 31, 2009 to approximately 72% the subsequent year. On the other hand, the share of top 10 members of MCX-SX in terms of volume was around 60%. BSE fared badly compared with both NSE and MCX-SX. In BSE, the share of top 10 members in volume terms dipped to zero in FY09 after touching 100% in 2009.

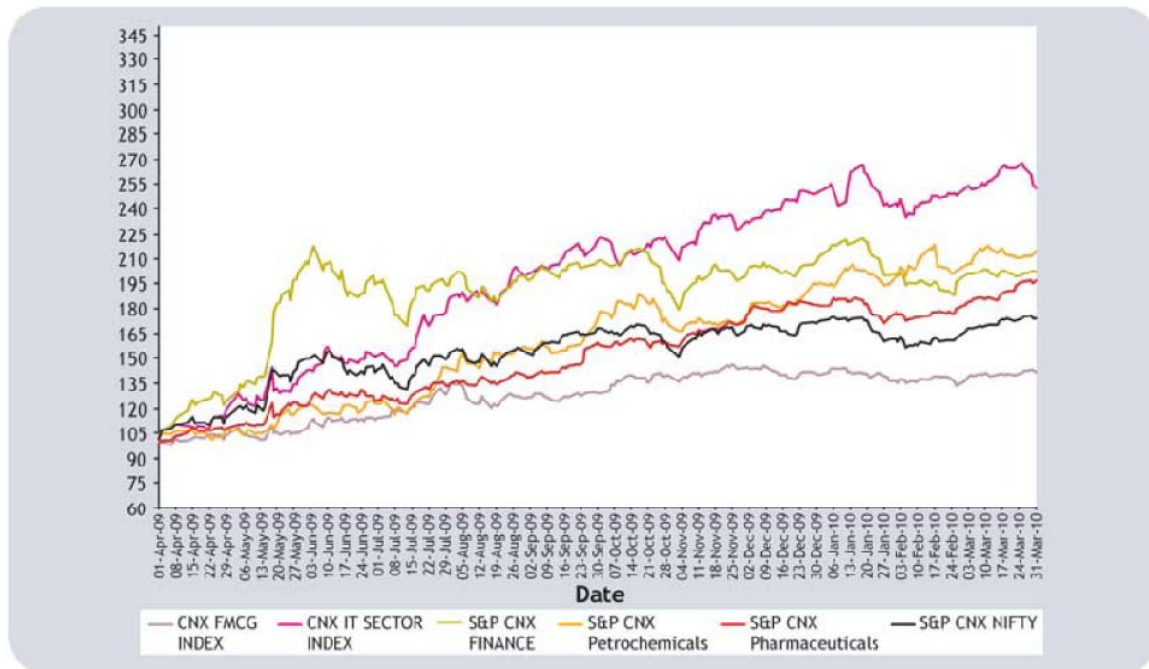


Source: SEBI

Index

Index Services and Products Ltd. (IISL), in technical partnership with S&P, have developed and have been maintaining scientifically an array of indices of stock prices on NSE. The popular indices are the S&P CNX Nifty, CNX Nifty Junior, S&P CNX Defty, S&P CNX 500, CNX Midcap, CNX 100, Nifty Midcap 50, S&P CNX Industry indices and CNX segment indices. S&P CNX Nifty, introduced in April 1996, is based on 50 largest and highly liquid stocks. CNX Nifty Junior, introduced in December 1996, is built out of the next 50 large and liquid stocks. These indices are monitored and updated dynamically and are reviewed regularly. The comparative movement of major sectoral indices along with that of S&P CNX Nifty is presented in Chart 4-3.

Movement of Sectoral Indices: 2009-10



During 2009-10, the S&P CNX Nifty Index touched its peak of 5302.85 on March 29, 2010. It yielded a point to point positive return of 73.76 % over 2008-09 while CNX Nifty Junior gave returns of 148.45%.

Among the sectoral indices, the CNX IT index was the best performer which yielded returns of 152.55% followed by the S&P CNX Petrochemicals index which earned returns of 114.69% and the CNX Finance Index which yielded returns of 102.06%.

BUSINESS OVERVIEW

Our company is Flagship Company of Indo-Thai Group. Our Company is professionally managed company lead by Mr Parasmal Doshi and Mr Dhanpal Doshi, who are the founder professionally qualified promoter and through their experience has achieved the present growth of the company.

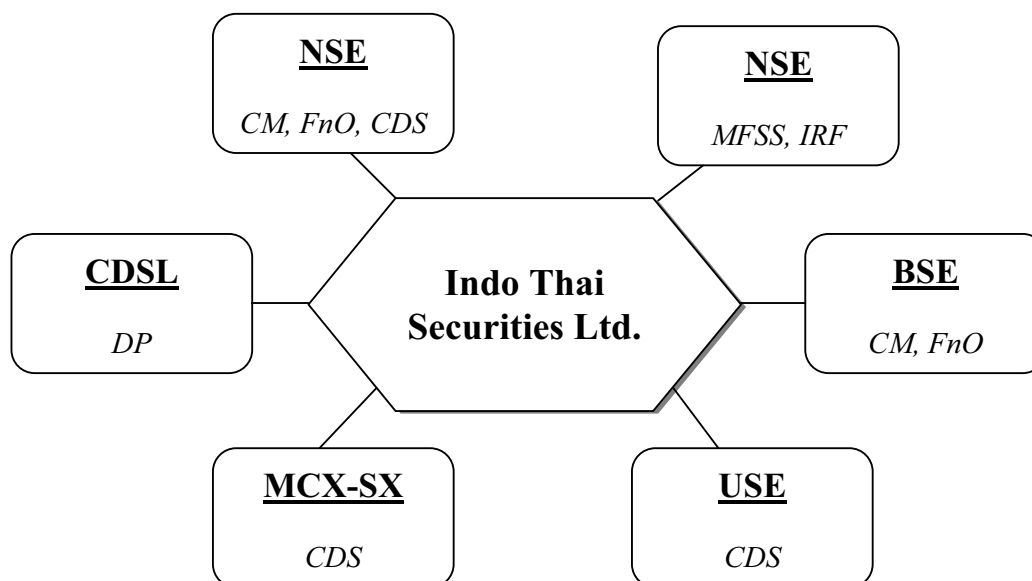
Incorporated as Public limited company in the year 1995, the company has commenced business by obtaining corporate membership of National Stock Exchange of India Limited and received SEBI registration as a Trading Member in September, 1995.

The company is providing various financial services under one roof that are well diversified from trading services in Equity, Future & Options segment and Currency derivatives segment. The company has also taken membership of United Stock Exchange of India limited for currency derivatives segment.

We have membership in the cash and future and options segments of both BSE and NSE and Currency Derivative segment of NSE, USE and MCX-SX. Our company is also registered as a DP with CDSL.

The Company has also started Mutual Fund Service System (MFSS) & Interest Rate Futures from the National Stock Exchange of India Limited to provide full options of trading under single roof.

- Exchanges/ Products**



We are serving the Corporate clients, high net worth individuals and retail investors. We provide personalized services to our clients looking to their investment objective and risk appetite. Our clients includes Corporate, high net worth and retail around 7200 investors mainly in Madhya Pradesh, Rajasthan, Chhattisgarh and Maharastra.

We are head quartered at Indore and we operate through 14 branches located in the state of Madhya Pradesh and Maharastra. Our aim is to grow further and provide better services to our clients.

Our present staff strength is 59 employees including at the branches

OUR BUSINESS STRENGTH

Experienced, professionally qualified and motivated team

The company is led by Mr. Parasmal Doshi and Mr. Dhanpal Doshi who are the founder professionally qualified promoter. Both the promoter directors are experienced in capital market and provide personally advisory services to clients for investment. Apart from that the company has qualified and experienced motivated team of employees for providing better services to the clients.

Integrated Financial Service provider

We provide variety of services to our clients which includes Equity & Derivatives Brokerage with membership in BSE, NSE, USE, MCX - SX and depository participant of CDSL. We believe that our wide range of services enable us to build strong relationship with our clients and to increase volume of business our company. The Company also provides Mutual Fund Service System (MFSS) & Interest Rate Futures from the National Stock Exchange of India Limited to provide full options of trading under single roof.

Concentrated Business Development

We have concentrated our efforts to develop business in the Madhya Pradesh. Out of total 14 branches we have developed 12 branches in Madhya Pradesh. The concentration of branches in particular region is helpful to the company to understand the clients need more specifically and provide better and personalized service to the clients. The promoter can have better interaction with the branch in charge; understand the branch needs and personal attention frequently.

Strong Risk Management System

We have deployed resources in terms of technology, people and processes to manage our risk management function. We have established general risk management procedures for trading activities, including instruments and strategies, position and trading limits for trading desks, business units and/or individual traders, periodic stress testing and cash flow and "Value at Risk" analysis. We periodically review and modify such procedures, as necessary or appropriate. These procedures cover our internal control system, customer margin requirement and risk management of relationship members.

Strong relationship with our clients

Our Company believes in maintaining long term relationships with our clients in terms of increased sales. Our dedicated focus on client coverage and our ability to provide timely solutions that enables us to resolve customer complaints, if any. This has helped us to establish long-term relationships with institutional and high net worth individual clients. This key strength has helped us to receive repeat business from our clients. We also believe that because of our timely trade execution, competitive pricing and customer service, we enjoy goodwill amongst our customers. The company has created its own website www.indothai.co.in for providing online trading services to its clients.

Margin Funding:

It's again a big advantage given by the Company to its clients. This facility attracts the client to trade in heavy volumes. Clients have a chance to earn more through less investment, for this company charges nominal interest from clients.

Currency Segment:

Now Currency market is the most Emerging market of India. This market has a huge Potential. In near future it will be the biggest market in terms of Volumes because of involvement of Banks, Importers, and Exporters etc. Importers and exporters can hedge their positions and can minimize currency fluctuation loss. Company is doing quiet good in this field as the company has a very good cliental of Currency Market.

BUSINESS STRATEGY

Our policy is to give total satisfaction to our clients by giving them latest market information, detail technical analysis, and providing services at most competitive rates In keeping with this philosophy, we will focus on increasing our customer base in all our products, give them a platform of choice to transact and support them with quality research as well as on capturing the significant growth opportunities. Our key strategic initiatives are described below:

Investor Awareness Programs:

As per the latest survey of Investors, only 3-5% of Indian population are use to trade/ invest in share or commodity Markets. We can increase this percentage by educating people through conducting Investor awareness programs and seminar with the collaboration of Exchanges in different parts of the country. Indo thai is the only Company to publish different study material and browsers in Hindi so that Target customer can understand the basics of the market easily. Once the investor is aware about the basic market and then they require Technical analysis and foreign market knowledge.

Appointment of Free lancers:

Free lancers work on their relations and network and they give strength to our sales team in acquiring Clients, Sub brokers, etc. They do our mouth publicity which is very effective. They also help us in Branding.

Achieve operational efficiencies

We intend to achieve operational efficiencies and maximize revenues through efficient use of technology, focused marketing and optimization of our resources. This would depend on our ability to maintain adequate capital and liquidity to absorb any adversities on broking business, stabilizing the earning profile, improving upon the profitability and adherence to stringent risk management systems.

Strengthen relationship with our clients

We seek to build on existing relationships and also focus on increasing our client base. We plan to expand our business primarily by increasing the number of client relationships, as we believe that increased client relationships will add stability to our business. We also seek to offer our clients, diversified products and services to increase our per capita revenues by selling different products to the same client. The company has created its own website www.indothai.co.in for providing online trading services to its clients.

Increasing geographical reach

We are focused on increasing our concentration in the existing cities as well as expand into smaller cities and towns that we believe have the potential to grow. Currently, we have a presence in the major cities of Madhy Pardesh. We propose to expand by increasing the network of our branches and are open to

growth through the inorganic route including acquisitions. We believe that this network expansion, complemented by client-focused relationship management, will allow us to add new clients and help us grow our market share.

Expanding of Network of Branches

We are head quartered at Indore and we operate through 14 branches located in the state of Madhya Pradesh and Maharastra. Our aim is to grow further and provide better services to our clients. Going forward, we intend to set up regional office in Mumbai, the capital market of India and 10 more branch offices in Jodhpur, Jaipur, Udaipur, Lucknow, Noida Nagpur, Pune, Varodara, Ahmedabad and Raipur. For further details please refer chapter titled “Objects of the Issue” on page no. 53 of this DRHP.

Research Department with wide spectrum of products

To strengthen our broking business, our Company provides its valued research services to our existing customers as well as target segment. In our value added research services, we evaluate performances of the companies across sectors, performance of the various sectors, analysis of the market and the economy, etc. on daily basis. However, we intend to develop an independent research department, which would carry out research on selected listed companies, new IPOs, sector-wise research as well as technical research on selected scrips and indices. These research reports would be disseminated to our clients, as well as would be hosted to our websites for the access of general investors. As and when these researches would prove a track record on a gradual basis, we believe that this will augment our transactions volume of existing clients and also intensify our clientele basis.

Brand recognition

We are in such a business where we are facing lot of competition. We are planning to put more efforts to build “**INDOTHAI**” as well known brand. We will be making the necessary arrangements for our brand recognition. Our brand recognition would include organizing Investor awareness programmes, initiating with account opening campaign, advertisement in print and electronic media and outdoor advertising.

Attracting and retaining the highest quality professionals.

In service industry People are the most valuable asset of the company and the reputation of the company will be built up by the management team. The dedication of the employees, professional skill, integrity and technical analytical mind result in success and growth of business. The well informed research, though technically and professionally qualified employee will help the client to take correct decision and thereby we can retain the clients and increase our clientele through mouth publicity of our company. We offer a entrepreneurial culture with a strong, team-based approach which we believe is attractive to our employees. We have been successful in attracting and retaining key professionals and intend to continue to seek out talent to further enhance and grow our business.

SERVICES

Equity Broking

Our Company is a member of BSE and NSE for trading in Equity market. We cater to the needs of our clients in all i.e. high net worth individuals and retail investors in the secondary market segment. We offer advisory services to our clients through the research undertaken by our team of fundamental and technical research analyst. We provide personalised trade and execution services along with real time information to our clients. The company has created its own website www.indothai.co.in for providing online trading services to its clients. Our equity broking services had more than 7200 clients (including institutional) as of March 31, 2010. Based on the total value of trades published by BSE and NSE our combined estimated market share of both NSE cash and futures segment trading and BSE cash segment trading was approximately ₹ 3033 crores for the year ended on March 31, 2010.

Retail

Our Company is a member of BSE, NSE, MCX -SX and USE and primarily offers secondary market broking services to its retail customers both Indian and non-resident Indian. Our brokerage services are based on an advisory model using research provided by our team of research analysts. Our dedicated dealers and advisors provide personalised trade and execution services to active traders, retail investors and high net worth investors. Our retail client brokerage covers equity brokerage services, commodity brokerage services, the distribution of initial public offerings (IPO's). Historically, the services offered in this segment have been the most substantial part of our business. For our equity trading services, our model combines a dedicated relationship and dealing team behind each client to ensure that our services continuously grow not only in terms of revenue but also in terms of number of clients. While the dealing teams continuously keep equity trading clients updated with market information and are responsible for execution of trades, the relationship team continues to acquire and enroll new clients for our services.

Research

Our Company provides research services on both fundamental and technical side. Our Company employs a blend of chartered accountants and management graduates who track economy, industries and companies on a regular basis. The purpose of our research is to identify money-making opportunities for the clients without exposing them to unwarranted risk. We focus on providing in-depth insightful research that is timely and valuable to clients. Our support team provides robust research deliverables that are in many cases serve as the basis for buy-hold-sell decisions. Our research team covers companies in various sectors and analyses the Indian and global economy in order to identify potentially wealth-creating equity investment ideas.

Depository Services

Depository Participant is as an agent of the depository and can offer depository related services only after obtaining a certificate of registration from SEBI. Therefore we are the intermediaries between the depository and the investors. The relationship between us and the depository is governed by an agreement under the Depositories Act. We offer depository facility to our equity trading clients as a part of integrated service offering as well as to third parties through CDSL, where our Company is a depository participant. As on 31st March, 2011 we have around 2600 active depository accounts.

Currency Futures Market

Currency future trading in India is comparatively new and gives investors opportunities to hedge risk of capital market fluctuations. It also is emerging as an additional class of investment for investors. We are targeting our equity trading customers for investment in global currencies. We have recently become a Trading member of currency future segment of NSE, MCX SX and USE.

Other services

Besides equity we also offer investment opportunities in a diverse range of products like distribution of IPO's and mutual funds. We update our investors about forthcoming IPO and news articles in relation to IPO. We also offer a host of mutual fund scheme of major funds in the country as per the requirement of each client. The relationship managers study the investment needs of each individual separately and hence offer a scheme to them as per their risk appetite and investment objective.

Risk Management

The global financial crisis has highlighted the need to manage risks regarding new financial instruments such as derivatives, currency futures etc. Our Company is dealing in financial services and hence risk management is of utmost importance. We have deployed resources in terms of technology, people and processes to manage our risk management function. We monitor and control our risk exposure through

financial, credit, operational, compliance and legal reporting systems based on mandatory regulatory requirements and as per our business needs. We have risk management procedures for evaluating and managing the market, credit and other risks to which we are exposed, as well as protecting our reputation in the market.

Internal Controls

We have established general risk management procedures for trading activities, including instruments and strategies, position and trading limits for trading desks, business units and/or individual traders, periodic stress testing and cash flow and "value at risk" analyses. We periodically review and modify these procedures, as necessary or appropriate. This regular stress testing analysis helps us in maintain adequate financial resources to withstand any default or delay in payment by clients.

Under our KYC policy, prior to establishing a relationship with a customer, we assess the risks of doing business with that customer. We also regularly monitor these risks throughout the term of the relationship with the customer. In general, our consideration focuses on the following areas:

- The nature of the customer (e.g., institutional or retail) and its corresponding level of experience and sophistication;
- The creditworthiness of the customer, as measured by established credit policies and procedures as mentioned for compliance and risk management; and
- The authority (including apparent authority) of the customer to conduct its proposed trading activities, including the customer's legal authority and the capacity of the individuals responsible for the trading.
- To further mitigate our risk we have imposed separations with regards to business activities between:
 - back office personnel responsible for trade reconciliation, margin, position limits, preparation and maintenance of books and records and other similar matters as well as compliance personnel, risk management personnel and treasury or funding personnel; and
 - Personnel responsible for customer relationships or proprietary trading.

Customer Margin Requirement

Customer margin requirements and position limits are established at levels that are adequate to protect us against reasonably foreseeable risks arising from the customer's trading activities. Customers' significant market exposures are reviewed on a daily basis and whenever necessary we call for additional collateral or modify margin requirements or position limits to reduce the size of existing positions.

We have enforced policies and procedures regarding the prompt collection of customer margin (other than in the case where there are appropriate credit arrangements in place) and the liquidation of customer accounts (or other appropriate action) where necessary.

Technology

To maintain our risk management system and reduce operational errors we need to be well equipped with regards to latest software and hardware available in the market. Our investment in technology will help us to achieve economies of scale as we expand our product and service offerings.

To ensure operational efficiency and mitigate our risk, we have set up a dedicated data centre at our registered office and have invested in high-performance trading software.

We have entered into the following agreements for a tie up as our technology partners for establishing our network and for providing servers and desktops.

INFRASTRUCTURE

Purchase order for VSAT Bandwidth (by ITCPL)

Our Group Company- Indo Thai Commodities Pvt. Ltd. (formerly known as Indo Thai Commodity Exchange Pvt. Ltd.) has purchased the following facilities / licenses from HCL Comnet Systems & Services Ltd.

Sr.	Description	Qty in Kbps	Per Kbps Price	Total
1	Ext C. VSAT Bandwidth(Broadcast)	90	5000	450000
2	Interactive Bandwidth	20	5000	100000
	Total	110	5000	550000

Human Resource/ Manpower

We believe that a skilled and motivated employee base is essential for our competitive advantage. Since inception, we have grown along with our people. Our focus has been to employ the human resource with combination of financial expertise and innovative thinking for all areas and services of our organization. As such and also to ensure that our employees have the training and tools needed to be successful in today's competitive environment, we are committed to building teams and invest resources in the development of the expertise and know-how of our employees as well as employee satisfaction. We place a lot of emphasis on training and development of our employees. Employees in all the departments undergo regular training programs to upgrade their skills to the changing requirements of the financial markets. We are presently employing 59 full time employees (including our branches).

Competition

All aspects of our business are intensely competitive. Our competitors are other brokerage firms, and financial advisory firms. We compete with some of our competitors nationally and with others on a regional, product or business line basis. Many of our competitors have substantially greater capital and resources than we do and offer a broader range of financial products and services. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of our people, market focus and the relative quality and price of our services and products.

In recent years there has been substantial consolidation and convergence among companies in the financial services industry. This trend toward consolidation and convergence has significantly increased the capital base and geographic reach of many of our competitors. Many of our competitors have the ability to offer a wider range of products and services that may enhance their competitive position. They may also have the ability to support investment banking and securities products and services with commercial banking, insurance and other financial services capabilities in an effort to gain market share, which could result in pricing pressure in our businesses.

We have experienced intense price competition in some of our businesses, in particular discounts in large block trades and trading commissions and spreads. The ability to execute trades electronically, through the Internet and through other alternative trading systems, has increased the pressure on trading commissions and spreads.

We believe that this trend toward alternative trading systems will continue. We may experience competitive pressures in these and other areas in the future as some of our competitors seek to increase market share by reducing prices.

We compete for individual and institutional clients on the basis of price, the range of products we offer, the quality of our services, financial resources and product and service innovation. We may be competing with other investors and corporate buyers for the investments that we make. Competition is also intense for the recruitment and retention of qualified professionals. Our ability to continue to compete effectively in

our businesses will depend upon our continued ability to attract new professionals and retain and motivate our existing professionals.

Collaborations, any Performance guarantee or assistance in marketing by the collaborators.

Our Company has not entered into any collaboration, or Performance guarantee or assistance for marketing with any company.

Branches of the Company

Our Company has wide network of its business and it is having branches at following places which indicates our current market presence in India, as on March 31, 2010.

Sr.	State / Union territory	Cities	No. of Branches
1.	Madhya Pradesh	Indore	8
2.	Madhya Pradesh	Ujjain	1
3.	Madhya Pradesh	Nagda	1
4.	Madhya Pradesh	Mhow	1
5.	Madhya Pradesh	Neemuch	1
6.	Maharashtra	Mumbai	2
	Total	-	14

INSURANCE

Vehicle Insurance:

Sr. No.	Insurer	Name and nature	Period of policy and Policy number	Risks covered	Total sum insured and Premium paid
1.	Universal Sampo General Insurance Co. Ltd.	Universal Sampo General Insurance for Honda City Car (MP09CE2924)	Number 2311/50736969/00/000 Period 14.07.2010 To 13.07.2011	Private Car Package Policy	Total:679682 Premium Paid : ₹ 11655/-
2.	ICICI Lombard General Insurance Company Limited	ICICI Lombard General Insurance for Santro XL Car (MP09CB5111)	Number 3001/54537650/02/000 Period 22.07.2010 To 21.07.2011	Private Car Package Policy	Total:240000 Premium Paid : ₹ 5677/-
3.	National Insurance Company Limited	General Insurance for Suzuki Access Scooter (MP09SD7265)	Number 320100/31/10/6200003860 Period 01.01.2011 To 31.12.2011	Motorcycle / Scooter Policy & Package	Total:33600 Premium Paid : ₹ 742/-
4.	National Insurance Company Limited	General Insurance for TVS PEP Scooter (MP09SE9318)	Number 320100/31/10/6200003892 Period 17.12.2010 To 16.12.2011	Motorcycle / Scooter Policy & Package	Total:31025 Premium Paid : ₹ 737/-
5.	National Insurance Company Limited	General Insurance for Honda Activa Scooter (MP09LB1510)	Number 320100/31/10/6200002068 Period 25.08.2010 To 24.08.2011	National Insurance Private Motorcycle / Scooter Policy	Total:14800 Premium Paid : ₹ 496/-

Keyman Insurance Policy:

Sr. No.	Insurer	Name of Key Man	Name and Nature	Policy number and Period of policy	Risks covered	Total sum insured and Premium paid
1	ICICI Prudential Life Insurance Company Ltd.	Shri Parasmal Doshi	ICICI Pru LifeGuard	Number 00184547 Period 27.08.2002 To 27.08.2012	₹ 1,00,00,000	₹ 26990 (Half Yearly)
2	ICICI Prudential Life Insurance Company Ltd.	Shri Dhanpal Doshi	ICICI Pru Oure Protect - Elite	Number 12308535 Period 12.08.2009 To 12.08.2029	₹ 35,00,000	₹ 14386 (Yearly)
3.	HDFC Standard Life Insurance Company Ltd.	Shri Dhanpal Doshi	HDFC Term Assurance Policy	Number 10117940 Period 19.03.2005 To 19.03.2020	₹ 25,00,0000	₹ 9950 (Yearly)

Others:

Sr. No.	Insurer	Name and nature	Period of policy and Policy number	Risks covered	Total sum insured and Premium paid
1.	The New India Assurance Company Limited	Stock Brokers Indemnity Insurance Policy	No. 112700/46/10/51/0 0000695 From 29/07/2010 to 28/07/2011	Terms, conditions, coverage, exclusion & claim procedure as per BSE stock brokers indemnity insurance policy clauses under (BSE/INDMN/CLS/10)	Total Sum Insured: ₹ 5,00,000 Premium paid : ₹ 18,166
2.	The New India Assurance Company Limited	Stock Brokers Indemnity Insurance Policy	No. 112700/46/10/51/0 0000122 From 30/05/2010 to 29/05/2011	Terms, conditions, coverage, exclusion & claim procedure as per MCX-SX stock brokers indemnity insurance policy clauses under (MCX-SX /INDMN/CLS/10)	Total Sum Insured: ₹ 5,00,000 Premium paid : ₹ 13,651
3.	The New India Assurance Company Limited	Stock Brokers Indemnity Insurance Policy	No. 112700/46/10/51/0 0000647 From 07/08/2010 to 06/08/2011	Terms, conditions, coverage, exclusion & claim procedure as per NSE stock brokers indemnity insurance policy clauses under (NSE/INDMN/CLS/11)	Total Sum Insured: ₹ 15,00,000 Premium paid : ₹ 68,404
4.	The Oriental Insurance	Stock Brokers Indemnity	No. 121300/48/2011/2	Indemnity of Employees, Computer	Total Sum Insured: ₹

	Company Limited	Insurance Policy	245 From 1/06/2010 to 31/05/2011	Crime Indemnity, Legal Liability, Counterfeit Securities, Loss of Securities & /or Cash Property	5,00,000 Premium paid: ₹ 19,303*
5.	National Insurance Company Limited	Standard Fire and Special Perils Policy	No.320100/11/10/3100000161 From 21/07/2010 to 20/07/2011	A. Furniture / Fixtures/ Fitting with Plate Glasses and Electrical Writing Fitted for various Electrical writing for various electrical equipments with all type of electrical appliances decoration etc. ₹ 2000000/- B. On stock of all electronic items i.e. Router, Modem Convertor, Computers and Printers etc.	Total Sum Insured: ₹ 30,84,825 Premium paid: ₹ 1,276
6.	National Insurance Company Limited	Burglary B.P.	No.320100/46/10/7500000093 From 21/07/2010 to 20/07/2011	A. On stock of all types' of electronic items i.e. Router, Modem Convertor, Computers and Printers etc. B. AC-12 nos. TV-2 nos.	Total Sum Insured: ₹ 12,84,825 Premium paid: ₹ 2,835
7.	National Insurance Company Limited	Electronic Equipment Insurance	No.320100/44/10/6000000010 From 21/07/2010 to 20/07/2011	All Electronic Equipments	Total Sum Insured: ₹ 10,89,000 Premium paid: ₹ 12,012
8.	The New India Assurance Company Limited	Comprehensive Crimes and Liabilities Policy for CDSL	No.130800/36/10/33/000000020 From 12/04/2010 to 11/04/2011	-Indemnity for Direct Financial loss. -Indemnity for direct financial loss due to Electric & Computer Crime. -Professional Indemnity	Total Sum Insured: ₹ 50,00,00,000 Premium paid: ₹ 33,090**

* Amount paid as the Membership Fees of ₹ 19303 for the Annum paid to ANMI (includes Premium for the Policy)

** Calculated only for Insurance (including tax) part from the Amount paid for the Annum paid as ₹ 86034.

Past Production Figures for the Industry

Since we operate into service industry, following are the data relating to past production figures

Property

Owned by Our Company:

The details of the freehold properties owned by the company are given in the below mentioned table:

Sr.	Date of Sale deed/ Agreement to sell	Name of Purchaser	Name of seller	Consideration	Area	Particulars of the property
1	Sale Deed dated 25 th September, 2006	Indothai Securities Limited	Shri Sudhir Sonthaliya, Shri Rajesh Sonthaliya, Smt. Jaishree Sonthaliya	10,96,000	9375 sq. ft	Survey No. 69/6, rakba hectore 0.360, Village Pipliyakumar Tehsil & District Indore (M. P.)
2	Sale Deed dated 15 th October, 2007	Indothai Securities Limited	Shri Rajesh Sonthaliya	1,41,54,000	1415.45 Sq.ft	Residential Plot Plot No. 29-A, Scheme No. 71, Sector-C, Indore (M.P.)

Leasehold Properties:

The details of the leasehold properties of the company is given in the below mentioned table

Sr.	Details of deed/ agreement	Particulars of the property	Consideration Rent/Security Deposit (₹)	Tenure	Usage
1.	Leave and License Agreement entered into between Indo Thai Securities Limited and Shri Dhanpal Doshi (HUF) on 01/04/08	14, 4 th Floor, Dawa Bazar, RNT Marg, Indore	13500/- Deposit-4 Lacs	01/05/2008 to 30/04/2014	DP Office
2.	Leave and License Agreement entered into between Indo Thai Securities Limited and Shri Parasmal Doshi(HUF)01/04/08	16, 4 th Floor, Dawa Bazar, RNT Marg, Indore	12000/- Deposit-4 Lacs	01/05/2008 to 30/04/2014	Registered Office
3.	Leave and License Agreement entered into between Indo Thai Securities Limited and Shri Pravin Bandi on 01/04/08	15, 4 th Floor, Dawa Bazar, RNT Marg, Indore	9000/- Deposit-4 Lacs	01/05/2008 to 30/04/2014	Branch
4.	Leave and License Agreement entered into between Indo Thai Securities	Airconditioned Maket, 1 st Floor, Office No.21, Tardeo, Mumbai	18000/-	01/04/2010 to 31/03/2013	Branch

	Limited and Shri Lokendra Sethi & Smt. Sudha Sethi on 01/04/2010				
5.	Leave and License Agreement entered into between Indo Thai Securities Limited and Shri Mohd Aftab A. Gaffar on 01/01/2011	G-2, Regal House, 92/94, JSS Road, Girgaum Road, Mumbai	48000/- Advance-576000/- Security Deposit-100000/-	01/11/2010 to 31/10/2011	Branch
6.	Leave and License Agreement entered into between Indo Thai Securities Limited and Smt. Kirti Bairathi & Smt. Shailja Bairathi on 01/04/2010	6, 1 st Floor, L.M. Complex Ext., Tower Chowk, Freeganj, Ujjain	24000/-	01/04/2010 to 31/03/2013	Branch
7.	Leave and License Agreement entered into between Indo Thai Securities Limited and Shri R.P. Jeswal on 19/07/2010	F-6, Rajat Jayanti Complex, Near Canara Bank, Scheme No.54, Vijay Nagar, Indore	6000/-	01/09/2010 to 01/09/2013	Branch
8.	Leave and License Agreement entered into between Shri Dhanpal Doshi & Shri Aashish Sakchela on 31/03/2011	M-8, Navneet Darshan, Greater Kailash Road, Indore	4000/- 5100/- Advance-20000/-	On 01/03/2011 for 3 years	Branch
9.	Leave and License Agreement entered into between Indo Thai Securities Limited and Shri Nandlal Lakhani on 01/01/2011	138, 1 st Floor, M.T. Cloth Market, Govardhan Chowk, Indore	7504/-	From 01/01/2011 for 3 years	Branch
10.	Leave and License Agreement entered into between Rajesh Rathore of Indo Thai Securities Limited and M/s Grasim Industries Ltd. On	Shop No.43, Birla Gram Market, Nagda	2100/-	From 01/04/2011 till 31/03/2012	Branch
11.	Leave and License Agreement entered into between Indo Thai Securities Limited and Shri Rajendra Kanojia on 17/06/2010	102, LA-LB, Simrol Road, Near Natraj Hotel, Mhow	5500/- Advance-11000/-	17/06/2010 to 16/04/2011	Branch
12.	Leave and License	E-20, Raj Talkies	9250/-	01/04/2011 to	Branch

	Agreement entered into between Indo Thai Securities Limited and Shri Vijaya Jain on 01/04/2011	Complex, Chhawani, Indore		31/03/2014	
13.	Leave and License Agreement entered into between Indo Thai Securities Limited and Hanuman Prasad Jain, Prakash Jain, Rajendra Jain, Mahendra Jain on 01/07/2010	Shop No.5, Lower Ground, Plot No.4, Ratan Ganga Complex, Scheme No.47, Sapna Sangeeta Road, Indore	8000/- Deposit-24000/-	On 01/07/2010 for 3 years	Branch
14.	Leave and License Agreement entered into between Indo Thai Securities Limited and M/s Sachanand & Sons (HUF) on 14/12/2010	33, Shiv Villas Palace, Rajwada, Indore	2750/-	On 01/01/2011 for 3 Years	Branch
15.	Leave and License Agreement entered into between Indo Thai Securities Limited and Shri Sushil Sharma on 15/01/2011	8, Ground Floor, Scheme 71, Vikram Square, Indore	5500/- Deposit-16500/-	On 15/01/2011 for 11 months	Branch
16.	Leave and License Agreement entered into between Shri Dhanpal Doshi and Ibrahim Bohra on 01/10/2006	Safe Complex, Opp. Jain Sthanak, Veer Park Road, Neemuch, M.P.	7600/- Advance-15000	On 01/10/2006, For 3 years, Gets Renewed Automatically	Branch

KEY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The regulations set below are not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice. Sets forth below are certain significant legislations and regulations which generally govern this industry in India:

General

For the purpose of the business undertaken by our Company, we may be required to obtain licenses and approvals depending upon prevailing laws and regulations. For details of such approvals, please refer to the section titled "Government/Statutory Licenses, Registrations & Approvals" starting from page no. 176 of this Draft Red Herring Prospectus.

The relevant provisions of some of the regulations and policies applicable to us are given below:

Payment of Gratuity Act, 1972

The provisions of the Act are applicable on all the establishments in which ten or more employees were employed on any day of the preceding twelve months and as notified by the government from time to time. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A thereafter whenever there is any change in the name, address or in the change in the nature of the business of the establishment a notice in Form B has to be filed with authority. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 is applicable on every establishment employing 20 or more employees. The said act provides for payment of the minimum bonus to the employees specified under the Act. It further requires for the maintenance of certain books and registers and submission of Annual Return within 30 days of payment of the bonus to the Inspector.

Employee's Provident Funds and Miscellaneous Provisions Act, 1952

This act was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It empowers the Central Government to frame the 'Employee's Provident Fund Scheme', 'Employee's Deposit linked Insurance Scheme' and the 'Employees' Family Pension Scheme' for the establishment of provident funds under the EPFA for the employees. It also prescribes that contributions to the provident fund are to be made by the employer and the employee.

Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 is applicable to establishments and undertakings wherein any systematic activity is carried out by co-operation between an employer and his workmen for the production, supply or distribution of goods or services. The Act requires for the maintenance peace and harmony for better working conditions.

Securities Contracts (Regulation) Act- 1956

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

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

Stock Broker Regulations

Pursuant to Section 12 of the SEBI Act, and the rules, regulations and guidelines issued by SEBI, a stockbroker, sub-broker and depository participant or any other intermediary associated with the securities market, may buy, sell or deal in securities only after obtaining a valid certificate of registration from SEBI in accordance with the applicable Regulations.

Stock Broker Regulations

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

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

Insider Trading Regulations

The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time ("Insider Trading Regulations") govern the law with respect to insider trading in India. The Insider Trading Regulations *inter alia* prohibit all insiders from dealing in securities of a listed company when the insider is in possession of unpublished price sensitive information ("UPSI"). It further prohibits an insider from communicating, counselling or procuring, directly or indirectly, any UPSI to any person who while in possession of such UPSI is likely to deal in such securities..Information is said to be price sensitive if it is likely to materially affect the price of the securities of the company to which it relates. Under the Insider Trading Regulations, the concept of an "insider" is related to those of a connected person and a deemed connected person. A person is said to be connected to a company when he or she is a director, employee or officer in the company or stands in a professional or business relationship with the company and when he or she may reasonably be expected to have access to UPSI and includes *inter alia* market intermediaries, Merchant Bankers, share transfer agents, registrars to an issue,debenture trustees, brokers, Portfolio Managers, investment advisors. The Insider Trading Regulations further provide that all listed companies and organisations associated with the securities market including *inter alia* intermediaries as defined under the SEBI Act, asset management companies, trustees of mutual funds

etc. should frame a code of internal procedures and conduct based on the Model Code of Conduct specified under the Insider Trading Regulations.

Internet Trading

Internet based trading was approved by SEBI through its Circular No. SMDRP/POLICY/CIR-06/2000 dated January 31, 2000. The circular provides that SEBI registered stock brokers interested in providing internet based trading services must obtain formal permission of the concerned stock exchange. The stock exchange, before giving permission must ensure the fulfillment of certain minimum conditions such as a minimum Networth of ₹ 5 million, the system used by the broker has provision for security, reliability and confidentiality of data through use of encryption technology and has adequate backup systems and data storage capacity. The broker's web site providing the internet based trading facility should contain information meant for investor protection. Certain mandatory security features are also prescribed in the circular for all internet-based trading systems.

Depositories Act, 1996

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

Depository Regulations

The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time ("Depository Regulations") provide *inter alia* the eligibility criteria and the procedure for obtaining the certificate of registration to carry on business as a depository participant. They also provide the various rights and obligations of the depository participants. On registration, the depository participant is required to adhere to a code of conduct prescribed under the Depository Regulations 57. The depository is deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of a beneficial owner. The depository does not have any voting rights or any other rights in respect of securities held by it. The beneficial owner of the securities is entitled to all the rights and benefits and is subjected to all the liabilities in respect of his securities held by a depository.

Know Your Customer Guidelines

The KYC policies are required to have certain key elements, including *inter alia* customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to KYC guidelines and the exercise of due diligence by persons authorized by the NBFC, including its brokers and agents.

SEBI Regulations, 2008

With the objective of providing a single comprehensive regulation, SEBI through its notification dated May 26, 2008 notified the SEBI (Intermediaries) Regulations, 2008 (the "Intermediaries Regulations"). These regulations will apply to all intermediaries and will deal with common requirements pertaining to grant of registration, general obligations, and code of conduct. In terms of the Intermediaries Regulations, these regulations shall come into force in relation to different classes of intermediaries on such dates as SEBI may be notification in the Official Gazette may appoint.

Further, in terms of the Intermediaries Regulations, provisions relating to chapter V (action in case of default and manner of suspension or cancellation of certificate) and chapter VI (miscellaneous provisions)

have come into force with effect from May 26, 2008. Pursuant to this, the following regulations have been repealed with effect from May 26, 2008.

1. The SEBI (Criteria for Fit and Proper Persons) Regulations, 2004; and
2. SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002.

The notifications also provides, that, any reference to The SEBI (Criteria for Fit and Proper Persons) Regulations, 2004 in any regulation, guidelines, circulars shall be deemed to be reference to chapter V and Schedule II of the Intermediaries Regulations. Further, any action undertaken including an enquiry commenced or notice issued under the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, prior to publication of the Intermediaries Regulations in the Official Gazette, shall be deemed to have been done or taken or commenced under the corresponding provisions of the Intermediaries Regulations.

Anti Money Laundering

The RBI has issued a Master Circular dated July 1, 2009 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 ("PMLA") is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering and for other matters connected therewith or incidental thereto.

Foreign Exchange Management Act

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

A. TAX RELATED LEGISLATIONS

1. Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic /Foreign Company whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax Return for every Previous Year by 31st October of the Assessment Year .Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

2. Central Sales Tax Act, 1956

In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (monthly/ quarterly/ annually) as required by the State Sale Tax laws of the assessing authority together with treasury challan or bank receipt in token of the payment of taxes due.

3. Service Tax Act

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government. In accordance with Rule 6 of Service tax Rules the assesses is required to pay Service tax in TR 6 challan by fifth of the month immediately following the month to which it relates. Further under

Rule 7 (1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by twenty fifth of the month immediately following the half year to which the return relates.

B. INTELLECTUAL PROPERTY RIGHTS

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

C. CONTRACTUAL RIGHTS

The bulk of the transactions in trade, commerce and industry are based on contracts. In India, the Indian Contract Act, 1872 is the governing legislation for contracts, which lays down the general principles relating to formation, performance and enforceability of contracts.

Indian Contract Act, 1872

Indian Contract Act codifies the way we enter into a contract, execute a contract, implement provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced. It only provides a framework of rules and regulations which govern formation and performance of contract. The rights and duties of parties and terms of agreement are decided by the contracting parties themselves. The court of law acts to enforce agreement, in case of non-performance.

HISTORY AND OTHER CORPORATE MATTERS

Our Company was incorporated on 19th January, 1995, as “Indo Thai Securities Limited” under the provisions of the Companies Act, 1956 with Registrar of Companies, Gwalior, Madhya Pradesh and obtained Commencement of Business Certificate on 8th February, 1995. Our Corporate Identity Number is U67120MP1995PLC008959

Our turnover and profitability for last five years has been as follows:

(₹ In Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Total Income	505.45	263.36	377.06	208.90	257.53
PAT	195.33	53.63	56.31	17.92	21.44

Changes in Registered Office of our Company

Date	Registered address changed from	Changed to	Reason of Change
November 15, 2010	33 Shiv Vilas Palace, Rajwada, Indore.	16, 4 th Floor, Dawa Bazar R.N.T. Marg, Indore	For more Working Space

Main Objects of Our Company

Our main objects as contained in our Memorandum of Association are:

(1) To acquire membership of National Stock Exchange of India Limited(NSE), Bombay Stock Exchange Limited (BSE), MCX Stock Exchange Limited (MCX-SX), or any other recognized Stock Exchange(s) for carrying on business as a Stock Broker on any or all Segments of such Stock Exchange(s) and to become member of Currency Derivatives Segment of such Stock exchange(s): to act as a sub-broker affiliated to any Stock broker; or to become member of any clearing Corporation or Clearing House of any Stock Exchange(s) and to apply for and become member of Over-The-Counter exchange of India (OTCEI) and to act as a Depository Participant of Central Depository Services (India) Limited (CDSL) and/or national Securities Depository Limited (NSDL) to provide depository services.

(2) To carry on the business of under-writer, sub under-writers, to invest in and acquire by gift or otherwise & hold, sell, buy or otherwise deal in all kinds of securities, shares, debentures, warrants, debenture stocks, bonds, units-obligations and securities and guarantees issued by the Central/State Government, Central/State owned/controlled corporations, autonomous bodies, local bodies, institutions or by any company, corporations, firm or person whether incorporated/ established in India or elsewhere and to manage for Securities, subject to necessary Government approval and to act as Securities Guarantors, Financial Consultants, Merchant Bankers, Registrar and Transfer Agents, Brokers, Exchange brokers, Bills Brokers and General Brokers for all kinds of securities, shares debentures, stocks, bonds & units and things necessary for the attainment of foregoing objects.

Amendments to our Memorandum of Association

Since Incorporation, the following changes have been made to Memorandum of Association of the Company:

Date of Shareholders Approval	Changes in Memorandum of Association
26/03/1997	Alteration in Capital Clause: The Authorized Share Capital of our Company was increased from ₹ 1,00,00,000 to ₹ 2,00,00,000

30/09/2002	<p>Alteration in Capital Clause:</p> <p>The Authorized Share Capital of our Company was increased from ₹ 2,00,00,000 to ₹ 2,20,00,000</p>
20/03/2010	<p>Alteration in Capital Clause:</p> <p>The Authorized Share Capital of our Company was increased from ₹ 2,20,00,000 to ₹ 12,00,00,000</p>
30/09/2008	<p>Insertion of Sub-Clause (3) of MOA in the Main Objects of the Company as:</p> <p>- To acquire membership of MCX Stock Exchange or any other Stock Exchange for carrying on business as a Stock Broker on any or all Segments of such Stock Exchange and to become member of Currency derivatives segment of such stock exchange; to act as a sub-broker affiliated to any Stock Broker; or to become member of any Clearing Corporation or Clearing House of any stock exchange.</p>
29/09/2010	<p>The Object Clause III of MOA altered by deletion of sub clause (2) & by substitution of sub-clauses (1) & (3) by following new sub-clauses (1) & (2) in the Main Objects of the Company as:</p> <p>(3) To acquire membership of National Stock Exchange of India Limited(NSE), Bombay Stock Exchange Limited (BSE), MCX Stock Exchange Limited (MCX-SX), or any other recognized Stock Exchange(s) for carrying on business as a Stock Broker on any or all Segments of such Stock Exchanges(s) and to become member of Currency Derivatives Segment of such Stock exchange(s): to act as a sub-broker affiliated to any Stock broker; or to become member of any clearing Corporation or Clearing House of any Stock Exchange(s) and to apply for and become member of Over-The-Counter exchange of India (OTCEI) and to act as a Depository Participant of Central Depository Services (India) Limited (CDSL) and/or national Securities Depository Limited (NSDL) to provide depository services.</p> <p>(4) To carry on the business of under-writer, sub under-writers, to invest in and acquire by gift or otherwise & hold, sell, buy or otherwise deal in all kinds of securities, shares, debentures, warrants, debenture stocks, bonds, units-obligations and securities and guarantees issued by the Central/State Government, Central/State owned/controlled corporations, autonomous bodies, local bodies, institutions or by any company, corporations, firm or person whether incorporated/ established in India or elsewhere and to manage for Securities, subject to necessary Government approval and to act as Securities Guarantors, Financial Consultants, Merchant Bankers, Registrar and Transfer Agents, Brokers, Exchange brokers, Bills Brokers and General Brokers for all kinds of securities, shares debentures, stocks, bonds & units and things necessary for the attainment of foregoing objects.</p>

Key Events & Milestones

YEAR	KEY EVENTS
Sept 14, 1995	Registration with SEBI as a Trading Member in the Cash Market Segment of NSE India.
June 08, 2000	Registration with SEBI as Trading Member in the Derivative Segment.
Feb 13, 2006	Registration as a Mutual Fund Advisor with AMFI.
July 05, 2007	Registration with SEBI as a Depository Participant - CDSL
Apr 23, 2008	Registration with SEBI as a Multiple Member of Bombay Stock Exchange Ltd.
Aug 26, 2008	Registration with SEBI as a Trading Member in the Currency Derivative Segment (CDS) of NSE India.
Sep 29, 2008	Registration with SEBI as a Trading Member in the Currency Derivative Segment (CDS) of MCX Stock Exchange Ltd.
Sep 22, 2010	Registration with SEBI as a Trading Member in the Derivative Segment of Bombay Stock Exchange Ltd.
Sep 22, 2010	Registration with SEBI as a Trading Member of United Stock Exchange of India Ltd.

Our Subsidiaries

As the date of the filing of this Draft Red Herring Prospectus we do not have any subsidiary Company

Total number of shareholders in our company

As on date of this Draft Red Herring Prospectus, our Company has 36 shareholders

Corporate Profile of the Company

❖ Description of the Activities of the Company

The company is providing various financial services under one roof that are well diversified from trading services in equity, derivatives commodities segment and Currency derivatives. The company has also taken membership of United Stock Exchange of India limited for currency derivatives segment.

We have membership in the cash and derivative segments of both BSE and NSE and Currency Derivative segment of NSE, USE and MCX-SX. Our company is also registered as a DP with CDSL.

The Company has also started Mutual Fund Service System (MFSS) & Interest Rate Futures from the National Stock Exchange of India Limited to provide full options of trading under single roof.

Injunctions or restraining orders

Our company is not operating under any injunction or restraining orders

Shareholders Agreement

There are no shareholders agreements among our shareholders in relation to our company.

Other Agreements

Except as stated elsewhere in this Draft Red Herring Prospectus and except various agreements/contracts, which have been entered in regular course of business with our suppliers, customers and lenders, there are no other material agreements or contracts.

Strategic Partners

As on the date of filing of the DRHP, we have not entered into any strategic partnership or tie up with any company

Financial Partners

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors

The following table sets forth details regarding our Board of Directors:

Sl. No.	Full Name, Age, Father's name, Address, Designation, Status, Occupation, DIN and Nationality	Date of Appointment and Term	Qualification	Other Directorship/ Partnerships/ Firms
1.	Mr. Parasmal Doshi Age: 53 Years S/o. Late Shri Shantilal Doshi Address: 18-B, Scheme No.71 Sector-C, Gumasta Nagar, Indore-452001 Designation: Chairman cum Whole-Time Director cum Chief Executive Officer Status: Executive & Non Independent Nationality: Indian DIN : 00051460 Occupation: Business Experience: 25 years	Date of appointment as CEO: 01/09/2009 Date of appointment as WTD: 01.10.2010 Term: 01.10.2010 to 31.03.2012	F.C.A, MBA (Financial Management)	1. Indo Thai Commodities Pvt. Ltd. 2. Indo Thai Real Estate Pvt. Ltd. 3. Surana Estate & Commodity Trading Pvt. Ltd. 4. Vistar Villas Pvt. Ltd. 5. Sand & Stone Residency Pvt. Ltd. 6. Geetanjali Buildcon Pvt. Ltd. 7. Citadel Real Estates Pvt. Ltd. 8. Future Infraestates Pvt. Ltd. 9. Rising Infrareal Pvt. Ltd. 10. Provident Real Estates Pvt. Ltd. Partnership Firm: 1. Dinesh Enterprise
2.	Mr. Dhanpal Doshi Age: 45 Years S/o. Late Shri Shantilal Doshi Address: 18-B, Scheme No.71 Sector-C, Gumasta Nagar, Indore-452001 Designation : Managing Director Status: Executive & Non Independent Nationality: Indian DIN: 00700492 Occupation: Business Experience: 20 years	Date of appointment: 19.01.1995 Term: 01.04.2007 to 31.03.2012	B.Com, F.C.A, MBA (Financial Management)	1. Indo Thai Commodities Pvt. Ltd. 2. Indo Thai Real Estate Pvt. Ltd. 3. Surana Estate & Commodity Trading Pvt. Ltd. 4. Vistar Villas Pvt. Ltd. 5. Sand & Stone Residency Pvt. Ltd. 6. Shakuntal Infracon Pvt. Ltd. 7. Citadel Real Estates Pvt Ltd. 8. Future Infraestates Pvt. Ltd. 9. Rising Infrareal Pvt. Ltd. 10. Provident Real Estates Pvt. Ltd.

3.	Mr. Rajendra Bandi Age: 49 Years S/o. Late Shri Indermal Bandi Address: H.No.-67, Indralok Colony, Indore (M.P.) Designation: Whole-time Director Status: Executive & Non-Independent Nationality: Indian DIN: 00051441 Occupation: Service Experience: 15 years	Date of appointment: 19.01.1995 Term: 01.04.2007 to 31.03.2012 Liable to retire by rotation	B.Sc.	1. Geetanjali Buildcon Pvt. Ltd.
4.	Mr. Omprakash Gauba Age: 61 Years S/o. Late Shri Keshavdas Gauba Address: 9, Greater Tirupathi Colony, Indore- (M.P.) Designation: Director Status: Non Executive & Independent Nationality: Indian DIN: 00059231 Occupation: Business Experience: 38 years	Date of appointment: 29.01.2005 Term: Liable to retire by rotation	M.Com.	NIL
5.	Mr. Sunil Soni Age: 52 Years S/o. Shri Nirmalkumar Soni Address: 138, Shri Nagar Colony, Indore- 452 001 (M.P.) Designation: Director Status: Non Executive & Independent Nationality: Indian DIN: 00508423 Occupation: Service Experience: 34 years	Date of appointment: 28.03.2002 Term: Liable to retire by rotation	M.Com.	M/s Eskay Bros.
6.	Mr. Sanjay Parmar Age: 39 Years S/o. Shri Mohanlal Parmar Address: H.No.-70, Indralok Colony, Indore (M.P.) Designation: Director Status: Non Executive & Independent Nationality: Indian DIN: 02132478 Occupation: Professional Experience: 14 Years	Date of appointment: 20.08.2010 Term: Liable to retire by rotation	B.COM FCA	NIL

Note: None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of the Draft Red Herring Prospectus.

Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital market by SEBI.

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

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

Brief Profile of the Directors

Mr. Parasmal Doshi – (Executive & Non- Independent), Age: 53 Years.

Mr. Parasmal Doshi is Chairman, CEO and Whole Time Director and of the Promoter of the company. He has completed his Bachelor of Commerce from Rajasthan University, Jaipur. On completion of graduation; he shifted from Rajasthan to Madhya Pradesh in the year 1977 to complete the course of Chartered Accountancy. In the year 1995 he has started Financial and taxation consultancy firm in the name of P.S Doshi & Co. for providing consultancy in the field of Taxation, finance and corporate laws, he provided consultancy to clients for making investments in Capital Markets for more than 25 years. He is having experience on advising for the corporate restructuring, acquisitions and mergers and expertise in international finance, NRI/FDI investments and double taxation treaties.

Apart from Commerce, Technology was also a subject of his interest and he has completed SAP R3 Training Program. He re-joined the company of his brother in the year 2009. The Company has developed a platform to trade in Securities Market from anywhere in the world through website www.indothai.co.in under his guidance. He has been playing a supervisory and advisory role in company since its inception. He has also passed the various modules of NCFM of National Stock Exchange (NSE), BCSM, NISM, MCCC and AMFI and possess good knowledge of commodity market & real estate business.

Mr. Dhanpal Doshi – (Executive & Non-Independent), Age: 45 Years.

Mr. Dhanpal Doshi is Managing Director of the company. He is founder member and involved as director since incorporation of the company. He has completed his Bachelor of Commerce from Rajasthan University, Jaipur. On completion of graduation, he shifted from Rajasthan to Madhya Pradesh in the year 1990 to complete the course of Chartered Accountancy and MBA. In the year 1995 he started Indo Thai Securities Ltd., a Company for the business of Brokerage. He has also passed the various modules of NCFM of National Stock Exchange (NSE), BCSM, NISM, MCCC and AMFI. He is skilled in Capital Markets analysis and expert in industry analysis and sectorial economics. He is having good knowledge of real estate business & commodity market.

Mr. Rajendra Bandi – (Executive & Non Independent), Age: 49 Years

Mr. Rajendra Bandi is an (Executive & Non Independent Director) of our Company. He has completed his Bachelor of Science from Devi Ahilya University, Indore. On completion of graduation, he started his business in pharmaceutical but he had keen interest in the field of capital market and joined ITSL in the year 1995 as Whole Time Director and looked after the day-to-day operations of the company. He is one of the key person who is involved in the management decision making process and expansion related aspect of the company in and around Central India. Apart from Capital Market he is also having deep knowledge of construction and real estate business as he is holding Directorship in Real Estate Company. He has also passed the various modules of NCFM of National Stock Exchange (NSE).

Mr. Omprakash Gauba – (Non Executive & Independent), Age: 61 Years

Mr. Omprakash Gauba is an (Non Executive & Independent Director) of our Company. He has completed Master of commerce from Indore Vishva Vidhyalay, aged 61 years, Director of the Company; He has a

good knowledge of Finance & Banking sector and has worked in Canara Bank for more than 30 years before retiring as the Branch Manager of the Bank. He has knowledge of General Administration and Personnel Matter. He is specialist in handling the HR issues. He possesses ability to implement the innovative ideas for better operational activities of the Company. He has also passed the NCFM Modules of Capital Market (Dealers) Module and Derivatives Market (Dealers) Module.

Mr. Sunil Soni – (Non Executive & Independent), Age: 52 Years

Mr. Sunil Soni is an (Non Executive & Independent Director) of our Company. He has completed Master of commerce from Indore University, aged 52 years, presently Carrying business as a Proprietor, named Eskay Bros. formed in 1984, manufacturing concern of mineral powder and also is an employee of Sudhir Mineral Pvt. Ltd. He has 26 years of knowledge and experience in Mining & Minerals business.

Mr. Sanjay Parmar – (Non Executive & Independent), Age: 39 Years

Mr. Sanjay Parmar, Chartered accountant by profession is Non Executive & Independent Director of our Company. He has completed Bachelor of Commerce from Devi Ahilya Vishva Vidhyalay, Indore, aged 39 years, presently carrying the Chartered Accountant Firm named Sanjay Parmar & Co. He possesses knowledge in the field of Finance, Taxation, and Accounts & Corporate Laws

Relationship between Directors

None of our directors are relatives as defined under section 6 of the Companies Act, 1956 except as stated below.

Name of Director	Relationship
Parasmal Doshi	Brother of Dhanpal Doshi
Dhanpal Doshi	Brother of Parasmal Doshi

BORROWING POWERS OF THE BOARD

The borrowing powers of our Directors are regulated by Article 232 of the Articles of Association of our Company.

The Board of Directors of our Company has power to borrow up to ₹ 35 crores as per the shareholders resolution passed in the EGM of our Company held on September 29, 2010. The extract of the resolution of our Company authorizing the Board's borrowing powers is given herein below:

“RESOLVED THAT pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 the Company hereby approves and gives consent to the Board of Directors for borrowing moneys from time to time in excess of the paid up capital and free reserves, if any, provided however, that the amount borrowed/to be borrowed and outstanding at any time shall not exceed the sum of ₹ 35,00,00,000/- (Rupees Thirty Five Crores Only) exclusive of the temporary loans obtained from the Company's bankers in the ordinary course of business of the Company.

For Further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled “Main provisions of the Articles of Association” of our Company, beginning on page no. 230 of the Draft Red Herring prospectus.

COMPENSATION AND BENEFITS TO THE MANAGING DIRECTOR/ WHOLE TIME DIRECTORS

We have not entered into any service contract with our Managing Director/ Whole-time Directors.

Sr.	Name of Director	Designation	Compensation paid in the Financial year 2010
1.	Mr. Parasmal Doshi	Chairman cum Whole Time Director	315000
2	Mr. Dhanpal Doshi	Managing Director	6,24,000
3	Mr. Rajendra Bandi	Whole Time Director	1,32,000

1. Terms of appointment and compensation of Mr. Parasmal Doshi, Chairman and whole Time Director is as follows:

Mr Parasmal Doshi has been appointed as Whole Time Director of the company for a period of 18 months w.e.f 1st October, 2010 vide resolution dated 29th September, 2010. The remuneration of Mr. Parasmal I Doshi is ₹ 55,000 per month which includes basic salary of ₹ 50,000 and Allowances of ₹ 5,000 with effect from 1st October, 2010 for a period of 18 months i.e. up to 31st March, 2012 vide Board resolution passed on 28th August 2010 and approved by shareholders at the EGM held on 29th September, 2010.

Name	Mr. Parasmal Doshi
Designation	Whole Time Director
Date of re- Appointment	01/10/2010
Period	18 months i.e upto 31.03.2012
Salary	₹ 50,000 per month
Allowances	₹ 5,000 per month
Other Terms and Conditions	He shall be entitled to get the salary maximum of Rs 6.00 lacs per annum for providing services as Chief Executive Officer of the company, in addition to above amount. An approval under section 314(1) (b) of The Companies Act, 1956 has been obtained for his appointment as Chief Executive Officer

2. Terms of appointment and compensation of Mr. Dhanpal Doshi, Managing Director is as follows:

Mr. Dhanpal Doshi has been appointed as Managing Director of the company for a period of 5 years w.e.f 1st April, 2007 vide resolution dated 30th April, 2007. The remuneration of Mr. Dhanpal Doshi is ₹ 52,000 per month inclusive of all perquisites, fees, commissions or allowances, if any, but subject to approval of Remuneration Committee of the company from time to time, has been approved by the Board Resolution passed on 31st March, 2007 and approved by shareholders at the EGM held on 30th April, 2007.

Name	Mr. Dhanpal Doshi
Designation	Managing Director
Date of re- Appointment	01/04/2007
Period	5 Years
Salary inclusive of all perquisites, fees, commissions or allowances	Rs 52,000 per month
Other Terms and Conditions	The payment of remuneration after the expiry of one year be subject to further approval of the members of the company by way of Special Resolution.

3. Terms of appointment and compensation of Mr. Rajendra Bandi, Whole Time Director is as follows:

Mr. Rajendra Bandi has been appointed as Whole Time Director of the company for a period of 5 years w.e.f 1st April, 2007 vide resolution dated 30th April, 2007. The remuneration of Mr. Rajendra Bandi is ₹ 10,000 per month inclusive of all perquisites, fees, commissions or allowances, if any, but subject to approval of Remuneration Committee of the company from time to time, has been approved by the Board

Resolution passed on 31st March, 2007 and approved by shareholders at the EGM held on 30th April, 2007.

Name	Mr.Rajendra Bandi
Designation	Whole Time Director
Date of re- Appointment	01/04/2007
Period	5 Years
Salary inclusive of all perquisites, fees, commissions or allowances	Rs 11,000 per month
Other Terms and Conditions	The payment of remuneration after the expiry of one year be subject to further approval of the members of the company by way of Special Resolution.

Sitting Fees Payable to Non-Executive Directors

Till date we have not paid any sitting fees to our Non-Executive Directors.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges.

Mr. Anurag Kumar Saxena, Company Secretary & Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

Shareholding of Our Directors

As per our Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of Director of our Company. The following table details the shareholding of our Directors in their personal capacity and either as sole or first holder, as on the date of the Draft Prospectus:

Sr.	Name of the Directors	No of Equity Shares held	Percentage (%) of preissue share capital
1	Dhanpal Doshi	1177500	19.63
2	Parasmal Doshi	1140900	19.02
3	Rajendra Bandi	3000	0.05
4	Omprakash Gauba	Nil	Nil
5	Sunil Soni	Nil	Nil
6	Sanjay Parmar	Nil	Nil

Interest of Directors

Two of our Directors are Promoters of the Company

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board, commission payable to our Independent non-executive Directors as well as to the extent of remuneration payable to our executive Directors for their services as executive directors of our Company and reimbursement of expenses payable to them under our Articles of Association. All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives or firms, trusts or other entities/ bodies corporate in which they have interest, and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our non-Promoter Directors may also be deemed to be interested in the Equity Shares, if any, out of the

present Issue that may be subscribed by and Allotted/transferred to the companies, firms and trusts and other entities/bodies corporate in which they are interested as Directors, members, partners and/or trustees or otherwise as also any benefits, monetary or otherwise derived there from. Our Promoter Director's Mr. Parasmal Doshi and Mr. Dhanpal Doshi through their (HUF) deemed to be interested to the extent to the rent receivable from the property given on lease to our Company.

Further, save and except as stated otherwise in the Chapters titled "*Business Overview*", "*Our Promoters and their Background*" and Section titled "Financial Information" beginning on pages 82, 119 and 126 respectively, of the Draft Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of the Draft Red Herring Prospectus.

Interest as to Property

Except as stated/referred to in the paragraph titled "Property" beginning on page 92 of the Draft Prospectus, our Directors do not have any interest:

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

CHANGE IN THE DIRECTORS IN THE LAST THREE YEARS

The following changes have taken place in the Board of Directors of our Company during the last three years:

Sr.	Name	Designation	Date of Appointment	Date of Cessation	Reasons
1	Mr. Vinayak Narayan Nitsure	Independent Director	29.01.2005	20.08.2010	Resignation
2	Mr. Sanjay Parmar	Independent Director	20.08.2010	-	Appointment
3	Mr. Parasmal Doshi	Whole-Time Director	01.10.2010	-	Appointment

Composition of Board of Directors

The Board of Directors of our Company has an optimum combination of executive and nonexecutive Directors as envisaged in Clause 49 of the Listing Agreement. Our Board has 6 Directors out of which 3 are independent directors in accordance with the requirement of clause 49 of the listing agreement of the Stock Exchanges.

Sr.	Board of Directors	Designation	Category
1	Mr. Parasmal Doshi	WTD, CEO & Chairman	Non-Independent & Executive Director
2	Mr. Dhanpal Doshi	Managing Director	Non-Independent & Executive Director
3	Mr. Rajendra Bandi	Whole-Time Director	Non-Independent & Executive Director
4	Mr. Omprakash Gauba	Director	Independent & Non Executive Director
5	Mr. Sunil Soni	Director	Independent & Non Executive Director
6	Mr. Sanjay Parmar	Director	Independent & Non Executive Director

CORPORATE GOVERNANCE

The provisions of the Listing Agreement to be entered into with BSE and NSE with respect to corporate governance and the SEBI (ICDR) Regulations, 2009 will be applicable to our Company at the time of seeking in principle approval for listing of our Company's Equity Shares with the Stock Exchanges. Our

Company has complied with Listing Agreement in respect of Corporate Governance specially with respect to broad basing of Board, constituting the Committees such as Shareholders/Investors Grievance Committee, Audit Committee and Remuneration Committee.

In terms of Clause 49 of Listing Agreement, our company has already appointed Independent Directors and constituted the following Committees of the Board:

1. Audit Committee
2. Remuneration Committee
3. Share Holders/ Investors Grievance Committee.

1. Audit Committee:

Our Board constituted an Audit Committee, pursuant to the provisions of Section 292A of the Companies Act. The constitution of the Audit Committee was approved at a meeting of the Board of Directors held on 28.08.2010

The terms of reference of Audit Committee comply with the requirements of Clause 49 of the Listing Agreement, which will be entered into with the Stock Exchanges in due course. The committee consists of the following Directors:

Name of the Director	Designation	Nature of Directorship
Mr. Sanjay Parmar	Chairman	Independent Director
Mr. Omprakash Gauba	Member	Independent Director
Mr. Sunil Soni	Member	Independent Director

Our Company Secretary, Mr. Anurag Kumar Saxena will act as the secretary of the Committee.

ROLE OF AUDIT COMMITTEE

- a) Overseeing the Company's financial reporting process and disclosure of its financial information;
- b) Recommending to the Board the appointment, re-appointment, and replacement of the statutory auditor and the fixation of audit fee;
- c) Approval of payments to the statutory auditors for any other services rendered by them;
- d) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Qualifications in the draft audit report.

- e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- f) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- g) 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;
- h) Discussion with internal auditors any significant findings and follow up there on;
- i) 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;
- j) 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;
- k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- l) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- m) Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor; and
- n) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- o) Such other matters as May from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

POWER OF THE AUDIT COMMITTEE

- 1. To investigate activity within its terms of reference;
- 2. To seek information from any employees;
- 3. To obtain outside legal or other professional advice; and
- 4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

2. Remuneration Committee

The constitution of the Remuneration Committee was approved at a meeting of the Board of Directors held on 28.08.2010.

The terms of reference of Remuneration Committee comply with the requirements of Clause 49 of the Listing Agreement, which will be entered into with the Stock Exchanges in due course. The committee consists of 3 independent Directors.

Name of the Director	Designation	Nature of Directorship
Mr. Omprakash Gauba	Chairman	Independent Director

Mr. Sunil Soni	Member	Independent Director
Mr. Sanjay Parmar	Member	Independent Director

Our Company Secretary, Mr. Anurag Kumar Saxena will act as the secretary of the Committee.

FUNCTIONS OF REMUNERATION COMMITTEE

1. To recommend to the Board, the remuneration of Managing / Whole-time / Executive Directors, including all elements of remuneration (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
2. To be authorised at it's duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration for Company's Managing / Whole-time / Executive Directors.

3. Shareholders/ Investor's Grievances Committee

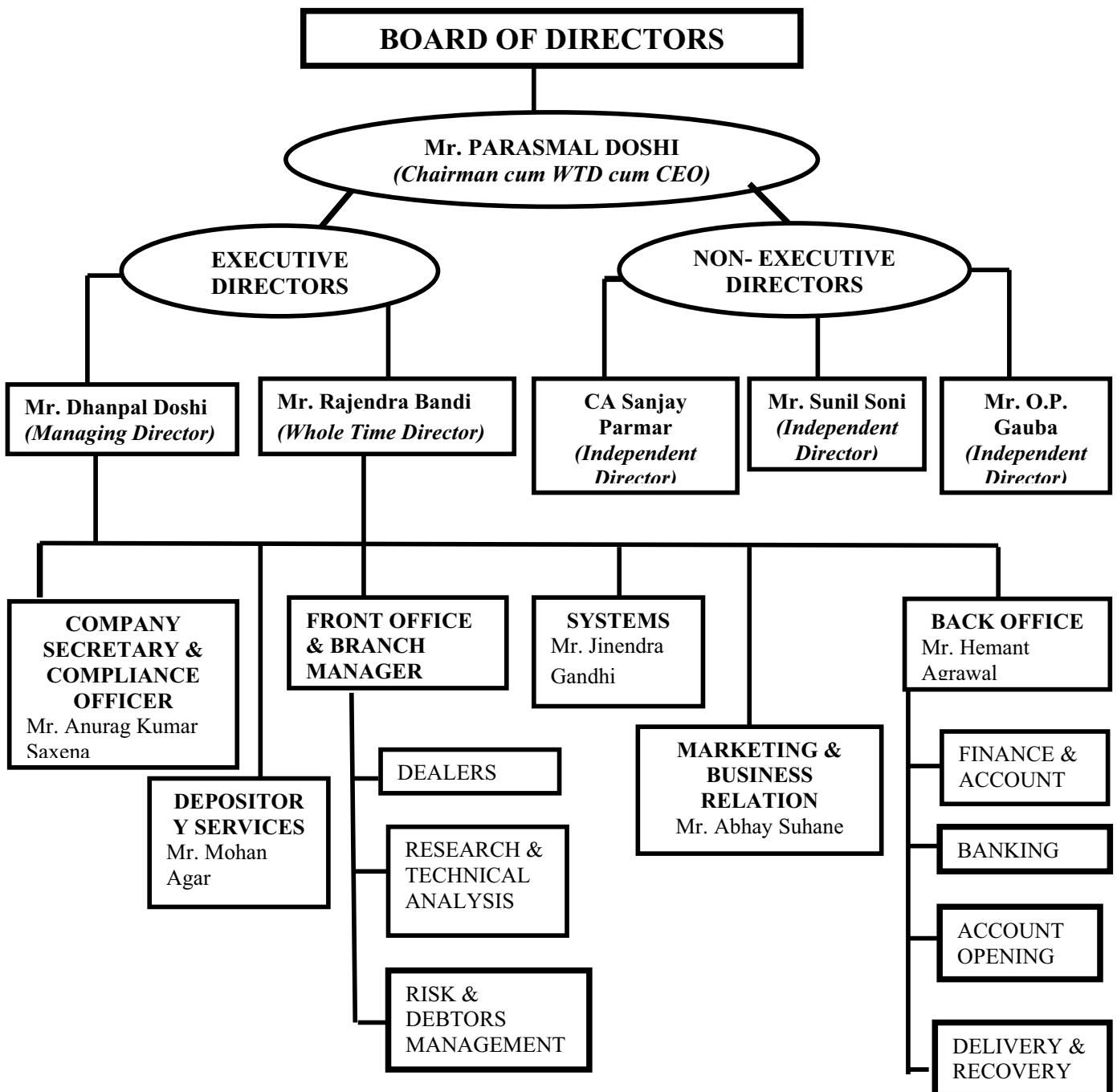
The Shareholders' / Investors' Grievance Committee has been formed by the Board of Directors at the meeting held on 28.08.2010 in compliance with Clause 49 of the Listing Agreement. The Shareholders' / Investors' Grievance Committee has been constituted with the following Directors:

Name of the Director	Designation	Nature of Directorship
Mr. Sunil Soni	Chairman	Independent Director
Mr. Omprakash Gauba	Member	Independent Director
Mr. Sanjay Parmar	Member	Independent Director

Our Company Secretary, Mr. Anurag Kumar Saxena will act as the secretary of the Committee.

FUNCTIONS OF SHAREHOLDERS'/ INVESTORS' GRIEVANCES COMMITTEE

1. To take action for efficient transfer of shares; including review of cases for refusal of transfer/ transmission of shares and debentures;
2. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, duplicate share certificates etc.;
3. Issuance of duplicate / split / consolidated share certificates;
4. To take effective action for allotment and listing of shares;
5. To monitor, under the supervision of the Company Secretary, the complaints received by the Company from SEBI, Stock Exchanges, Department of Company Affairs, ROC and the Share/ Debentures/ Security holders of the Company etc., and the action taken for redressal of the same.
6. To monitor and expedite the status and process of dematerialisation and rematerialisation of shares, debentures and securities of the Company.
7. To suggest statutory and regulatory authorities regarding investor grievances; and make sure proper and timely attendance and redressal of investor queries and grievances.



KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company other than our Executive Directors are as follows:

Details of Key Managerial Persons (KMPs)

Name, Age, Designation and Date of Joining	Qualification	Overall Experience	Details of Previous Employment	Remuneration (Per Annum) In ₹
Mr. Anurag Kumar Saxena 33 year Company Secretary cum Compliance Officer cum Principal Officer Date of Joining: 03.05.2007	Company Secretary From ICSI, New Delhi, B. Sc. From Barkattula University, Bhopal (M.P.)	8 year	M/s Indiabulls Credit Services Limited	₹ 3.00 Lacs
Mrs. Sadhana Doshi 39 year Relationship Manager (Customer Support) Date of Joining: 01.04.2004	Bachelor of Pharmacy From Devi Ahilya Vishva Vidhyalay, Indore (M.P.)	5 year	N.A. (Being First Job)	₹ 2.40 Lacs
Mr. Hemant Agrawal 38 year Accounts & Finance Head Date of Joining: 01.12.2002	M. Com. From Devi Ahilya Vishva Vidhyalay, Indore (M.P.) Accounting Technician From ICAI, New Delhi,	14 year	Varsha Doshi – Member of Madhya Pradesh Stock Exchange, Indore	₹ 2.70 Lacs
Mr. Abhay Suhane 34 year Manager Marketing Date of Joining: 01.10.2010	MBA (Finance & Marketing) From Devi Ahilya Vishva Vidhyalay, Indore (M.P.) B.com From Maharaja College, Chhatarpur (Sagar)(M.P.)	6 year	M/s Indo Thai Commodities Pvt. Ltd.	₹ 2.88 Lacs
Mr. Praveen Bandi 46 year Branch Manager Date of Joining: 01.04.2005	M.Com From Devi Ahilya Vishva Vidhyalay, Indore (M.P.)	16 year	Varsha Doshi – Member of Madhya Pradesh Stock Exchange, Indore	₹ 1.86 Lacs
Mr. Anand Jain 39 year Branch Manager Date of Joining: 01.06.2000	B.Com From Devi Ahilya Vishva Vidhyalay, Indore (M.P.)	20 year	M/s Midex Overseas Ltd., Indore (M.P.)	₹ 1.82 Lacs

Mr. Ajit Bairathai 38 year Branch Manager Date of Joining: 01.04.2004	B.Com From Vikram University, Ujjain (M.P.)	12 year	M/s M. P. Bairathi,	₹ 1.92 Lacs
Mr. Jinendra Gandhi 28 year Senior System Manager Date of Joining: 01.04.2006	Cisco Certified Network Associates from CCNA	7 year	Khetan Cable Network (P.) Ltd., Indore	₹ 2.64 Lacs
Mr. Deepak Sharma 35 year Senior Account Officer Date of Joining: 01.04.2006	B.com from Devi Ahilya Vishva Vidhyalay, Indore (M.P.)	13 year	M/s Daglia Agro Vet Limited, Indore	₹ 1.91 Lacs
Mr. Mohan Agar 46 year Manager -DP Date of Joining: 19.02.2008	CA (Inter) Ist Group from ICAI, New Delhi, B.Com from University of Rajasthan, Jaipur	20 year	M/s Om Textile Pvt. Ltd., Navi Mumbai	₹ 2.40 Lacs
Mr. Sandeep Jain 27 year Technical & Analysis Manager Date of Joining: 08.02.2010	MBA (Marketing) From Devi Ahilya Vishva Vidhyalay, Indore (M.P.) B.Com From Vikram University, Ujjain (M.P.)	2 year	M/s Spider Software Pvt. Ltd., Indore (M.P.)	₹ 1.82 Lacs
Mr. Sunil Sethi 36 year Bank & Account Officer Date of Joining: 01.04.2007	M. Com from Devi Ahilya Vishva Vidhyalay, Indore (M.P.) B.Com from Devi Ahilya Vishva Vidhyalay, Indore (M.P.)	7 year	M/s Indo Thai Commodities Pvt. Ltd.	₹ 1.86 Lacs
Mr. Deepak Rao 29 year Surveillance & Risk Manager Date of Joining: 04.05.2010	M. Com from Devi Ahilya Vishva Vidhyalay, Indore (M.P.) B.Com from Devi Ahilya Vishva Vidhyalay, Indore (M.P.)	7 year	M/s Kotak Securities Ltd	₹ 1.82 Lacs

Notes:

- All the Key Managerial Personnel mentioned above are on the payrolls of our Company as the permanent employees.
- There is no arrangement or understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned key managerial personnel have been recruited.

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

The details of our Key Managerial Personnel are set out below:

1. Mr. Anurag Kumar Saxena – Company Secretary cum Compliance Officer cum Principal Officer

Mr. Anurag Kumar Saxena aged 33 years joined our Company on May 03, 2007. He is Company Secretary cum Compliance Officer cum Principal Officer. He has completed his C.S. in June 2009 from ICSI. He has more than 8 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 3.00 Lacs.

2. Mrs. Sadhana Doshi – Relationship Manager

Mrs. Sadhana Doshi aged 39 years joined our Company on April 01, 2004. She is Relationship Manager. She has completed her Bachelor of pharmacy from Devi Ahilya Vishva Vidhyalay from Indore in year 1992. She has more than 5 years of experience. The remuneration paid to her in the financial year 2010 was ₹ 2.40 Lacs.

3. Mr. Hemant Agrawal- Accounts & Finance Head

Mr. Hemant Agrawal aged 38 years joined our Company on December 01, 2002. He is Accounts & Finance Manager. He has completed his Master of commerce from Devi Ahilya Vishva Vidhyalay from Indore in year 2002 and Accounting Technician from ICAI in year 1997. He has more than 14 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 2.70 Lacs.

4. Mr. Abhay Suhane – Manager Marketing

Mr. Abhay Suhane aged 34 years joined our Company on October 01, 2010. He is Manager Marketing. He has completed his MBA from Devi Ahilya Vishva Vidhyalay from Indore in year 2004 and Bachelor of Commerce in 1997. He has more than 6 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 2.88 Lacs.

5. Mr. Praveen Bandi – Branch Manager

Mr. Praveen Bandi aged 46 years joined our Company on April 01, 2005. He is Branch Manager. He has completed his Master commerce from Devi Ahilya Vishva Vidhyalay from Indore in year 1985. He has more than 16 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 1.86 Lacs.

6. Mr. Anand Jain - Branch Manager

Mr. Anand Jain aged 39 years joined our Company on June 01, 2000. He is Branch Manager. He has completed his Bachelor of commerce from Devi Ahilya Vishva Vidhyalay from Indore in year 1991. He has more than 20 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 1.82 Lacs.

7. Mr. Ajit Bairathai - Branch Manager

Mr. Ajit Bairathai aged 38 years joined our Company on April 01, 2004. He is Branch Manager. He has completed his Bachelor of commerce from Vikram University in year 1993. He has more than 12 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 1.92 Lacs.

8. Mr. Jinendra Gandhi – Senior System Manager

Mr. Jinendra Gandhi aged 28 years joined our Company on April 01, 2006. He is Senior System Manager. He has completed his Diploma in Computer Hardware and Networking from Jetking Infotech Ltd. Indore and Cisco Certified Network Associates from Cisco Systems in year 2004. He has more than 7 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 2.64 Lacs.

9. Mr. Deepak Sharma – Senior Accounts Officer

Mr. Deepak Sharma aged 35 years joined our Company on April 01, 2006. He is Senior Accounts Officer. He has completed his Bachelor of commerce from Devi Ahilya Vishva Vidhyalay from Indore in year 1995. He has more than 13 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 1.91 Lacs.

10. Mr. Mohan Agar – Manager DP

Mr. Mohan Agar aged 46 years joined our company on February 19, 2008. He is DP Manager. He has completed his CA (Inter) 1st Group from ICAI in year 1990 and Bachelor of Commerce from University of Rajasthan in year 1984. He has more than 20 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 2.40 Lacs.

11. Mr. Sandeep Jain – Technical & Analysis Manager

Mr. Sandeep Jain aged 27 years joined our company on February 08, 2010. He is Technical & Analysis Manager. He has completed MBA from Devi Ahilya Vishva Vidhyalay from Indore in year 2008. He has more than 2 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 1.82 Lacs.

12. Mr. Sunil Sethi – Bank & Accounts Officer

Mr. Sunil Sethi aged 36 years joined our company on 1 April, 2007. He is Bank & Accounts Officer. He has completed his Master of Commerce from Devi Ahilya Vishva Vidhyalay from Indore in year 1995 and Bachelor of Commerce from Devi Ahilya Vishva Vidhyalay in year 1993. He has more than 7 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 1.86 Lacs.

13. Mr. Deepak Rao – Surveillance & Risk Manager

Mr. Deepak Rao aged 29 years joined our company on May 04, 2010. He is Surveillance & Risk Manager. He has completed his Master of Commerce from Devi Ahilya Vishva Vidhyalay from Indore in year 2004 and Bachelor of Commerce from Devi Ahilya Vishva Vidhyalay in year 2002. He has more than 7 years of experience. The remuneration paid to him in the financial year 2010 was ₹ 1.82 Lacs.

Shareholding of Key Managerial Personnel

Except stated in below, none of our key managerial personnel hold any equity shares in our company as on date of filing of the Draft Prospectus

Sr. No.	Name	Number of shares held	Percentage (%) Pre issue holding
1.	Sadhana Doshi	798750	13.31%
2.	Hemant Agrawal	15000	0.25%
3.	Praveen Bandi	4800	0.08%

Relation of the Key Managerial Personnel with our Promoters / Directors / Other KMPs

None of our Key Managerial Personnel except stated below are related to our Promoters/ Directors/Other KMPs of our company within the meaning of section 6 of the Companies Act:

Sr. No.	Name of KMP	Relationship with the Director/Promoter
1	Sadhna Doshi	Wife of Dhanpal Doshi
2	Praveen Bandi	Brother of Rajendra Bandi

Bonus or Profit Sharing Plan for Key Management Personnel

Our Company does not have any bonus or profit-sharing plan for its key managerial personnel. Except as stated otherwise in the Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or are intended to be given to any of our key managerial personnel except the normal remuneration for services rendered as directors, officers or employees.

Changes in the Key Managerial Personnel of our Company during the last three years are as follows:

Sr.	Name	Designation	Date of Joining	Date of Leaving	Reasons
1	Mr. Anurag Kumar Saxena	Company Secretary cum Compliance Officer	As Compliance Officer : 03.05.2007	-	Appointment
2	Mr. Abhay Suhane	Manager-Marketing	01.10.2010	-	Appointment
3	Mr. Sandeep Jain	Technical & Analysis Manager	08.02.2010	-	Appointment
4	Mr. Deepak Rao	Surveillance & Risk Manager	04.05.2010	-	Appointment

Employees

For details of the Employees/ Manpower of our Company, please refer to the paragraph titled "Manpower" beginning on page 88 under Chapter "Business Overview" beginning on page 82 of the Draft Red Herring Prospectus.

Employee Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

Payment or benefits to officers of the Company

Except the remuneration, salary, and other benefits as per the terms of appointment, there are no specific additional payments or benefits offered to the officers of the Company.

OUR PROMOTERS AND THEIR BACKGROUND

The brief profiles of our Promoters are as follows:

1. Mr. Parasmal Doshi
2. Mr. Dhanpal Doshi



1. Mr. Parasmal Doshi

Mr. Parasmal Doshi, an Executive & Non Independent Director aged 53 years is the Chairman, Whole time director & CEO of our Company. He has completed his Bachelor of Commerce from Rajasthan University, Jaipur. On completion of graduation; he shifted from Rajasthan to Madhya Pradesh in the year 1977 to complete the course of Chartered Accountancy. In the year 1995 he has started Financial and taxation consultancy firm in the name of P.S Doshi & Co. for providing consultancy in the field of Taxation, finance and corporate laws, he provided consultancy to clients for making investments in Capital Markets for more than 25 years. He is having experience on advising for the corporate restructuring, acquisitions and mergers and expertise in international finance, NRI/FDI investments and double taxation treaties.

Apart from Commerce, Technology was also a subject of his interest and he has completed SAP R3 Training Program. He re-joined the company of his brother in the year 2009. The Company has developed a platform to trade in Securities Market from anywhere in the world through website www.indothai.co.in under his guidance. He has been playing a supervisory and advisory role in company since its inception. He has also passed the various modules of NCFM of National Stock Exchange (NSE), BCSM, NISM, MCCP and AMFI and possess good knowledge of commodity market & real estate business.

Identification	Details
Voter ID Number	Nil
Driving License Number	MP09R-2009-0532429
PAN	AERPD3255P
Passport Number	J 1424112
Name of the Bank	Canara Bank, Siyaganj, Indore
Bank Account Number	0359201051185



2. Mr. Dhanpal Doshi

Mr. Dhanpal Doshi, an Executive & Non-Independent Director aged 45 years is the Managing Director of our Company. He is founder member and involved as director since incorporation of the company. He has completed his Bachelor of Commerce from Rajasthan University, Jaipur. On completion of graduation, he shifted from Rajasthan to Madhya Pradesh in the year 1990 to complete the course of Chartered Accountancy and MBA. In the year 1995 he started Indo Thai Securities Ltd., a Company for the business of Brokerage. He has also passed the various modules of NCFM of National Stock Exchange (NSE), BCSM, NISM, MCCP and AMFI. He is skilled in Capital Markets analysis and expert in industry analysis and sectorial economics. He is having good knowledge of real estate business & commodity market.

Identification	Details
Voter ID Number	MP/37/273/405215
Driving License Number	MP09R-2010-0193830
PAN	ABZPD4781D
Passport Number	G 3697277
Name of the Bank	Canara Bank, Siyaganj, Indore
Bank Account Number	0359201051184

Confirmations

We confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our Promoters has been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Further, we confirm that Permanent Account Number, Bank Account Number, Company Registration Number and addresses of Registrars of Companies where the company is registered have been submitted to the Recognized Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Relationship of Promoters with each other and with our Directors

Name of the Promoter	Relationship
Parasmal Doshi	Brother of Dhanpal Doshi
Dhanpal Doshi	Brother of Parasmal Doshi

Common Pursuits

Our Group Companies namely Indo Thai Commodities Private Limited and Surana Estate & Commodity Trading Private Ltd. have objects similar to those of our Company. To that extent we may have a potential conflict of interest between the said Group Companies and our Company. Other than this there are no other common pursuits in the business of our Company and our Group Companies. Further, we have not entered into non-compete agreements or understanding with these entities. For further details, of the entities refer to the chapter titled *“Financial Information of Our Group Companies”* beginning on page 151 of the Draft Red Herring Prospectus.

Interest of Promoters

Except as stated and to the extent of compensation / sitting fees and reimbursement of expenses in accordance with their respective terms of employment, our Promoters do not have any other interest in our business.

Our Promoters may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to the Issue. Our Promoters are also interested to the extent of transactions given under Annexure 14, beginning on page 146 of the Draft Red Herring Prospectus.

All our Directors, Promoters and Key Managerial Personnel may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations.

Our Directors and Promoters do not have any interest in any property acquired by our Company in the period of two (2) years before filing the Draft Red Herring Prospectus with SEBI or proposed to be purchased/acquired which is to be paid wholly or partly out of the proceeds of the Issue.

Except as stated otherwise in the Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements and no such payments are proposed to be made to them.

Our Company has entered into separate Rent Agreement with Mr. Parasmal Doshi and Mr. Dhanpal Doshi through their HUF and for details of the same please refer to heading titled *“Property”* beginning on page 92 under chapter titled *“Business overview”* and —Statement of Restated Related Party Transaction, “Annexure 14” beginning on page 146 of the Draft Red Herring Prospectus.

Payment or benefit to our Promoters during the last two years

No payment has been made or benefit given to our Promoters in the two years preceding the date of the Draft Red Herring Prospectus or is intended to be given by us except as mentioned/referred to in this Chapter, and the paragraph titled *“Property”* on page 92 in the Chapters titled *“Business Overview”* on page 82 and Related Party Transactions, “Annexure 14” beginning on page 146 under Chapter titled *“Auditors’ Report And Financial Information of our Company”* of the Draft Red Herring Prospectus.

Our Promoter Group

Promoter and Promoter Group in terms of Regulation 2(1)(za) and 2(1)(zb) of the SEBI ICDR Regulations.

Our Promoters are Parasmal Doshi and Dhanpal Doshi

Our Promoter Group Consists of:-

A. Individuals related to our promoter

Relationship with Promoter	Mr. Parasmal Doshi	Mr. Dhanpal Doshi
Mother	Awanta Bai Doshi	Awanta Bai Doshi
Brother	Dhanpal Doshi Chandrasekhar Doshi	Parasmal Doshi Chandrasekhar Doshi
Sister	Vijaya Jain Rajmati Hingad	Vijaya Jain Rajmati Hingad
Sister's Husband	Subhash Jain C.P Hingad	Subhash Jain C.P Hingad
Spouse	Varsha Doshi	Sadhna Doshi
Son	Sarthak Doshi	Nishit Doshi
Daughter	Ritu Doshi	Nivya Doshi
Brother's Wife	Sadhna Doshi Kusum Doshi	Varsha Doshi Kusum Doshi

B. Companies, Partnership firms, Proprietary Concerns, Trusts, HUF's related to our Promoter Company

Nature of Relationship	Entity
Any Body Corporate in which ten percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member.	Indo Thai Commodites Private Limited Indo Thai Real Estate Private Limited Geetanjali Buildcon Private Limited Surana Estate and Commodity Trading Private Limited Shakuntal Infracon Private Limited Vistar Villas Private Limited Sand and Stone Residency Private Limited Citadel real Estate Private Limited Future Infraestates Private Limited Rising Infrareal Private Limited Provident Real estate Private Limited 3M Consultants Limited
Any body corporate in which a body corporate as provided above holds ten percent or more of the equity share capital	Indo Thai Securities Limited (Indo Thai Commodites private limited is holding 40. 05 %)
Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent	Parasmal Doshi (H.U.F.) Dhanpal Doshi (H.U.F.) Balmukund Ramkishan Bang Dinesh Enterprise Sun Décor World
Partnership firm in which promoter or any of his	Balmukund Ramkishan Bang -

relative is having interest.	Dinesh Enterprise Sun Décor World
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For further details on our Promoter Group refer Chapter Titled “Financial Information of Our Group Companies” beginning on page 151 of Draft Red Herring Prospectus.

Listed Companies in the Promoters Group:

As on the date of this Draft Red Herring Prospectus, there is/are No listed Company/ Companies in the Promoter Group.

Sales or Purchases between companies in the Promoter Group

There have been no sales or purchases between companies in the Group exceeding in value in the aggregate 10% of the total sales or purchases of our Company, except those transactions mentioned under *Related Party Transactions, “Annexure14” beginning on page 146 under Chapter titled “Auditors’ Report And Financial Information of our Company” beginning on page no.126 of the Draft Red Herring Prospectus.*

Payment or Benefit to our Promoters

No payment has been made or benefit given to our Promoters in the two years preceding the date of the Draft Red Herring Prospectus or is intended to be given by us except as mentioned/referred to in this Chapter, and the paragraph titled “Property” on page 92 in the Chapters titled “Business Overview” on page 82 and Related Party Transactions, “Annexure 14” beginning on page 146 under Chapter titled “Auditors’ Report And Financial Information of our Company” of the Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

The details of related party transactions have been disclosed as a part of the Auditors Report. For details please refer to *Related Party Transactions, "Annexure 14" beginning on page 146 under Chapter titled "Auditors' Report And Financial Information of our Company" beginning on page no.126 of the Draft Red Herring Prospectus.*

DIVIDEND POLICY

Dividends, other than interim dividends, will be declared at the AGM of the shareholders based on the recommendation of the Board of Directors. The Board may, at its discretion, recommend dividends to be paid to the shareholders, considering a number of factors including, without limitation, our Company's future expansion plans and capital requirements, profits earned during the Financial Year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The dividend payments in the past are not necessarily indicative of the dividend amounts, if any, or the dividend policy, of our Company in the future. Our Company has not paid any Dividend till date.

SECTION V – FINANCIAL INFORMATION

AUDITORS' REPORT AND FINANCIAL INFORMATION OF OUR COMPANY

To,
The Board of Directors,
Indo Thai Securities Ltd.
16, 4th Floor, Dawa Bazar,
Indore
Madhya Pradesh

Dear Sirs,

1. We have examined the attached financial information of Indo Thai Securities Limited ('the Company') as approved by the Board of Directors of the Company, which has been prepared in accordance with requirements of
 - a. Paragraph B(1) of Part - II of Schedule II of the Companies Act, 1956, ('the Act') and amendments thereof;
 - b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 and related clarifications and the amendments made thereto from time to time ('the SEBI Regulations'),
2. We have examined such Restated Summary Statements taking into consideration:
 - a. The Guidance Note on the Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India ("ICAI"); and
 - b. The respective terms of reference received from the Company, requesting us to carry out the assignment, in connection with the Offer Document being issued by the Company for its proposed Initial Public Offer.
3. The Restated Summary Statements of the Company have been extracted by the management from the Financial Statements of the Company for the years ended 31st March 2006, 2007, 2008, 2009 and 2010 which have been approved by the Board of Directors. The audit of the accounts for the financial years ended 31st March, 2006, 2007, 2008 and 2009 was conducted by M/s N.K.Sahu & Co., Chartered Accountant (Registration No. 002763C) and these accounts were signed by their proprietor Mr. N.K.Sahu (Membership No. 071929).

This report, in so far as it relates to the amounts included for the financial years ended 31st March, 2006, 2007, 2008 and 2009 is based on the Audited Financial Statements of the Company which were audited by the above auditors and their audit reports have been relied upon by us for the said years. Further, audit for financial year ended 31st March, 2010 was audited by M/s N.K.Sahu & Co., Chartered Accountants, and reaudited by us for IPO purpose.

4. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Regulations and the terms of our engagement agreed with you, we further report that:
 - i. The Restated Summary Statements of the Company, including as at and for the years ended 31st March, 2006, 2007, 2008, 2009 based on the audited financial statements of the Company which were audited by other auditors as stated in Para 3 above and on which reliance has been placed by us and for the year 2010 and nine months period from 1st April

2010 to 31st December 2010 based on the financial statements of the Company audited by us, as set out in Annexures I, II & III to this report are after making such adjustments and regroupings as in our opinion were appropriate and more fully described in Statement of Adjustments and Significant Accounting Policies & Notes (Refer Annexures IV).

- ii. Based on the above, and as per the reliance placed by us on the reports issued by other auditors for the respective years as stated above, we are of the opinion that
 - (a) the Restated Summary Statements have been made, after incorporating :
 - i. The impact arising on account of changes in accounting policies adopted by the Company as at and for the year ended 31st March, 2010 applied with retrospective effect in the Restated Summary Statements;
 - ii. Adjustments for the material amounts in the respective financial years to which they relate.
 - (b) There are no extraordinary items which need to be disclosed separately in the Restated Summary Statements
 - (c) There was no change in accounting policies, which needs to be in the "Restated Summary Statements".
 - (d) There are no revaluation reserves, which need to be disclosed separately in the "Restated Summary Statements".
 - (e) There are no audit qualifications requiring adjustments in the "Restated Summary Statements" and audit qualifications which do not require any adjustments in the "Restated Summary Statements" and Non – quantifiable / Non - adjustments items are included in the Notes on accounts as set out in Annexure IV **except the non compliance with the recommendations of accounting standard 15 "Employee Benefits" in respect of Gratuity provision. (refer note no. 12 of notes to accounts)**
5. At the Company's request, we have examined the following other financial Information, as restated, proposed to be included in the Offer Document, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company, as at and for the years ended 31st March, 2006, 2007, 2008, 2009 and 2010 and nine month period ended 31st December 2010. In respect of the years ended 31st March, 2006, 2007, 2008 and 2009 these information have been included based on the Audited Financial Statements which were audited by other auditors as stated in para 3 above and whose auditors' reports have been relied upon by us.
6. The financial information for the above periods was examined to the extent practicable, for the purpose of audit of financial information in accordance with Standards on Quality Control and Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those standards require that we plan and perform the audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement. We have reported on the financial information on the basis of information and explanations provided by the management, books and records produced to us and such other tests and procedures, which in our opinion, were necessary for our reporting. These procedures included comparison of the attached financial information of the Company with the respective audited financial statements.
7. In accordance with the terms of engagement letter, we have also examined the following other restated financial information set out in the following annexure prepared by the management and approved by the Board of Directors for the purpose of inclusion in Letter of Offer:

- a. Statement of Cash flow as set out in Annexure III.
 - b. Statement of Accounting Ratios based on the adjusted profit relating to earning per share, net asset value, return on net worth enclosed as Annexure V.
 - c. Capitalization Statement as at December 31, 2010 set out in Annexure VI.
 - d. Statement of Details of Secured Loans enclosed as Annexure VII.
 - e. Statement of Details of Investments enclosed as Annexure VIII.
 - f. Statement of Details of Loans and Advances enclosed as Annexure IX.
 - g. Statement of Details of Sundry Debtors enclosed as Annexure X.
 - h. Statement of Details of Contingent Liabilities enclosed as Annexure XI.
 - i. Statement of Income from operations enclosed as Annexure XII.
 - j. Statement of Other Income enclosed as Annexure XIII.
 - k. Statement of Details of Related Party Transactions enclosed as Annexure XIV.
 - l. Statement of Tax Shelters enclosed as Annexure XV.
 - m. Statement of dividend as Annexure XVI.
 - n. Statement of Qualifications as Annexure XVII.
8. In our opinion, other Restated Financial Information, contained in the Annexures I to XVI to this report as referred to above, read along with the Significant Accounting Policies & Notes as set out in Annexure IV have been prepared after making adjustments and regroupings as considered appropriate, in accordance with SEBI Regulations.
 9. In our opinion the above financial information contained in Annexure I to XVIII of this report has been prepared in accordance with Part II of Schedule II of the Act , the SEBI Regulations & the Guidance Note on the Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India ("ICAI") . Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the audited financial statement for the relevant years / period ended for the three months.
 10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
 11. This report should neither in anyway be construed as a re-issuance or redrafting of any of the previous Audit Reports issued by us or by other firms of Chartered Accountants nor to be construed as new opinion on any financial statements referred to herein.

12. This report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed Initial Public Offer of the Company. Our report should not be used for any other purpose except with our consent in writing.

For, S.Ramanand Aiyar & Co.
Chartered Accountants

Amit Singhvi
Partner
Membership No. 129331
Firm Registration No. 000990N

Date: March 11th, 2011
Place: Indore

ANNEXURE-I
SUMMARY STATEMENT OF ASSETS AND LIABILITIES AS RESTATED:
(₹ in Lacs)

	Particulars	As at 31-Dec-10	As at 31-Mar-10	As at 31-Mar-09	As at 31-Mar-08	As at 31-Mar-07	As at 31-Mar-06
I	FIXED ASSETS						
	Gross Block	373.58	367.73	362.63	352.10	166.01	151.77
	Less : Depreciation	146.68	137.35	128.97	111.61	100.95	94.22
	Net block	226.90	230.38	233.66	240.49	65.06	57.55
	Capital work-in-progress including capital advances	-	-	-	-	-	-
		226.90	230.38	233.66	240.49	65.06	57.55
II	INVESTMENTS	78.25	81.40	64.39	73.21	71.21	42.52
III	CURRENT ASSETS, LOANS AND ADVANCES						
	Inventories	11.03	2.09	3.46	15.78	9.78	100.44
	Sundry debtors	1139.04	163.12	174.84	221.49	206.04	371.29
	Cash and bank balances	619.18	673.43	487.02	377.99	194.83	157.23
	Other current assets	0.01	0.059	-	-	0.02	0.51
	Loans and advances	240.06	210.09	207.96	196.75	85.56	113.33
		2009.32	1,049.32	873.28	812.00	496.23	742.80
IV	LIABILITIES AND PROVISIONS						
	Secured loans	184.20	171.70	165.88	120.84	8.27	49.67
	Unsecured loans	-	-	-	-	-	-
	Current liabilities	1231.91	470.32	491.00	523.69	227.06	408.12
	Provisions	100.59	35.53	25.45	45.18	17.85	23.36
		1516.70	677.55	682.33	689.71	253.18	481.15
V	DEFERRED TAX LIABILITIES (NET)	(0.15)	0.33	1.14	1.81	1.48	1.82
VI	NET WORTH (I+II+III-IV-V)	797.92	683.22	487.86	434.18	377.84	359.90
	Represented by:						
	SHAREHOLDERS FUND						
	Share Capital	600.00	200.00	200.00	200.00	200.00	200.00
	Securities premium account	-	-	-	-	-	-

	Profit and loss account	197.92	483.35	288.02	234.38	178.07	160.16
	Less: Miscellaneous expenditure (to the extent not written off or adjusted)	-	(0.13)	(0.16)	(0.20)	(0.23)	(0.26)
IX	NET WORTH (VII+VIII)	797.92	683.22	487.86	434.18	377.84	359.90

ANNEXURE- II

SUMMARY STATEMENT OF PROFIT AND LOSS ACCOUNT AS RESTATED:

(₹ in Lacs)

Particular	For the year/ Period end on					
	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
INCOME						
Income from operations	393.92	473.68	258.64	374.71	204.93	251.37
Other income	7.70	31.77	4.73	2.34	3.98	6.15
Increase/ (Decrease) in inventories	-	-	-	-	-	-
	401.62	505.45	263.37	377.05	208.91	257.52
EXPENDITURE						
Cost of Securities	-	-	-	-	-	-
Staff cost	90.81	115.03	90.27	93.11	68.52	62.67
Operating expenses	51.20	22.48	24.49	33.99	21.69	26.76
Administrative expenses	79.62	98.58	71.57	145.92	74.97	118.39
Interest	-	-	-	5.98	-	-
Miscellaneous expenditure written off	0.13	0.03	0.03	0.03	0.03	0.03
Depreciation / Amortization	9.33	14.91	17.36	15.63	13.83	16.39
	231.09	251.03	203.72	294.66	179.04	224.24
PROFIT BEFORE TAXATION	170.53	254.41	59.64	82.41	29.86	33.29
Provision for tax	-	-	-	-	-	-
Current tax	56.44	59.89	5.79	24.72	11.15	12.17
Less: MAT credit entitlement	-	-	-	-	-	-
Deferred tax	(0.48)	(0.81)	(0.67)	0.33	(0.34)	(1.79)
Fringe benefit tax	-	-	0.89	1.04	1.14	1.47
Net profit after tax	114.57	195.33	53.63	56.31	17.92	21.44
Surplus brought forward from previous year	483.35	288.02	234.38	178.07	160.16	138.72
Adjusted profit available for appropriation	597.92	483.35	288.02	234.38	178.07	160.16
APPROPRIATIONS						
Bonus share Issue	400.00	-	-	-	-	-
Adjusted available surplus carried to Summary Statement of Restated Assets and Liabilities	197.92	483.35	288.02	234.38	178.07	160.16

ANNEXURE- III
STATEMENT OF RESTATED CASH FLOWS:
(₹ in Lacs)

	Particulars	As at 31-Dec- 2010	for the year ended				
			31-Mar- 10	31-Mar- 09	31-Mar- 08	31-Mar- 07	31-Mar- 06
A.	CASH FLOW FROM OPERATING ACTIVITIES						
	Profit before taxation	170.53	254.41	59.64	82.41	29.86	33.29
	Adjustment for:						
	Depreciation / Amortization	9.33	14.91	17.36	15.63	13.83	16.39
	(Profit) / Loss on sale of Investments (net)	-	(88.47)	(44.34)	-	-	-
	Interest income	(32.11)	(37.93)	(10.25)	(7.43)	(6.66)	(7.19)
	Interest expenses	21.08	5.73	8.76	10.32	4.41	8.96
	Unrealised exchange difference (net)						
	Dividend income	(0.18)	(2.22)	-	-	-	-
	Profit /Loss on sale of fixed assets	-	(0.52)	-	(0.64)	(0.67)	0.76
	Miscellaneous expenditure written back	0.13	0.03	0.03	0.03	0.03	0.03
	Provision for doubtful debts and advances (Net)	-	-	-	-	-	-
	Cash generated from operations before working capital changes	168.78	145.94	31.20	100.32	40.80	52.24
	Adjustment for:						
	(Increase)/ Decrease in inventories	(8.94)	1.36	12.32	(6.00)	90.66	(23.40)
	(Increase)/ Decrease in trade and other receivables	(975.92)	11.72	46.65	(15.45)	165.25	59.54
	Increase/ (Decrease) in current liabilities and provisions	826.64	(10.59)	(52.42)	323.96	(186.58)	(77.25)
	Cash generated from/ (used in) operations	10.56	148.43	37.75	402.83	110.13	11.13
	Direct tax paid (Net)	(56.44)	(59.89)	(6.68)	(25.76)	(12.29)	(13.64)
	Net cash from/ (used in) Operating Activities (A)	(45.88)	88.54	31.07	377.07	97.84	(2.51)
B.	CASH FLOW FROM INVESTING ACTIVITIES						
	Payments made for purchase of fixed assets/ capital expenditure	(5.85)	(13.55)	(10.53)	(193.27)	(25.12)	(5.39)
	Proceeds from sale of fixed assets	-	2.44	-	2.86	4.45	4.01
	Loans (granted)/ received back (net)	(29.40)	(2.72)	(11.21)	(111.17)	28.26	(18.78)
	Interest received	32.11	37.93	10.25	7.43	6.66	7.19
	(Purchase) / Sale of	3.15	(17.01)	8.82	(2.00)	(28.69)	-

	Investments						
	(Profit) / Loss on sale of Investments (net)	-	88.47	44.34	-	-	-
	Dividend income	0.18	2.22	-	-	-	-
	Net cash from/ (used in) Investing Activities (B)	0.19	97.78	41.67	(296.15)	(14.44)	(12.97)
C.	CASH FLOW FROM FINANCING ACTIVITIES						
	Capital introduced/withdrawn (net)	-	-	-	-	-	-
	Proceeds from issue of shares (Refer note 2 below)	-	-	-	-	-	-
	Proceeds from borrowings (net of repayment)	12.50	5.82	45.03	112.57	(41.39)	24.96
	Interest paid	(21.08)	(5.73)	(8.76)	(10.32)	(4.41)	(8.96)
	Net cash from/ (used in) Financing Activities (C)	(8.58)	0.09	36.27	102.25	(45.80)	16.00
	Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	(54.26)	186.41	109.03	183.16	37.60	0.52
	Cash and Cash Equivalents at the beginning of the year/period	673.43	487.02	377.99	194.83	157.23	156.71
	Cash and Cash Equivalents at the end of the year/period	619.17	673.43	487.02	377.99	194.83	157.23
	Components of Cash and Cash Equivalents at the end of the year/period						
	Cash in hand	2.73	2.17	0.20	2.30	15.00	6.35
	Balance with scheduled banks	-	-	-	-	-	-
	Current account	32.65	185.49	46.21	269.86	68.50	28.93
	EEFC account	-	-	-	-	-	-
	Add: Effect of exchange difference (closing)	-	-	-	-	-	-
	Fixed deposit/ margin money	583.79	485.77	440.61	105.83	111.33	121.95
		619.17	673.43	487.02	377.99	194.83	157.23

ANNEXURE- IV

SIGNIFICANT ACCOUNTING POLICIES, NOTES ON ADJUSTMENTS & NOTES TO ACCOUNTS, AS RESTATED:

(I) SIGNIFICANT ACCOUNTING POLICIES

1. System of Accounting

The financial statements have been prepared on a going concern and on accrual basis, under the historical cost convention and in accordance with the generally accepted accounting principles, the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government and relevant provisions of the Companies Act 1956, to the extent applicable.

2. Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumption that affect the reported amount of assets, liabilities, revenues & expenses and discloser of contingent assets & liabilities. The estimates & assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements. Actual results may defer from the estimates & assumptions used in preparing the accompanying Financial Statements. Any differences of actual results to such estimates are recognized in the period in which the results are known / materialized.

3. Revenue recognition

- a. Income from brokerage activities is recognized as income on the trade date of the transaction.
- b. Income from arbitrage operations is stated net of commission expenses, if any, incurred against it and without deduction of Securities Transaction Tax.
- c. Profit / Loss on sale of investments are recognized on the trade date of the transaction and are stated net of Securities Transaction Tax incurred.
- d. Other Income is accounted for on accrual basis.

4. Fixed Assets

Fixed assets are stated at cost less depreciation/amortization. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

5. Depreciation / Amortization

- a. Tangible fixed assets including computer software are depreciated on Written Down Value (WDV) in accordance with the rates prescribed under Schedule XIV of the Companies Act, 1956, except for the following assets:

Sr. No.	Assets	Rate of Depreciation
1.	Battery for UPS	20%
2.	UPS System	20%

- b. Intangible assets except computer software are amortized on a straight line basis over a period having regard to their useful economic life and estimated residual value in accordance with Accounting Standard (AS) 26 "Intangible Assets".

6. Stock - in – trade

Shares and Securities acquired for sale in the ordinary course of business are considered as stock in trade, and are valued at lower of cost or market value as at the year/period end.

7. Investments

Investments of long term nature are valued at cost. Provision is made to recognize a decline, other than temporary, in the value of such investments. Current Investments are valued at cost or market value, whichever is lower.

8. Keyman Insurance

Keyman Insurance premium paid during the financial year is written off as expenditure in the profit and loss account.

9. Employees Retirement Benefits

Provident Fund

The Company contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the profit and loss account.

Compensated Leave

Unutilized leave of staff lapses as at the year end and is not encashable.

10. Equity Index/Stock – Futures

Equity Index/Stock Futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Loans and advances or Current liabilities, respectively, in the “Mark-to-Market Margin – Equity Index/Stock Futures Account”, represents the net amount paid or received on the basis of movement in the prices of Index/Stock Futures till the balance sheet date. As on the Balance Sheet date, the profit/ loss on open position in Index/Stock futures are accounted for as follows:

- a. Credit balance in the “Mark-to-Market Margin-Equity Index/Stock Futures Account”, being anticipated profit, is ignored and no credit is taken in the profit & loss account.
- b. Debit balance in the “Mark-to-Market Margin-Equity Index/Stock Futures Account”, being anticipated loss, is recognized in the profit & loss account.

On final settlement or squaring up of contracts for equity index/stock futures, the profit or loss is calculated as difference between settlement/squaring up price and contract price. Accordingly, debit or credit balance pertaining to the settlement/squared up contract in “Mark-to-Market Margin Equity Index/Stock Futures Account” is recognized in the profit & loss account upon expiry of the contracts. “Initial Margin – Equity Index/Stock Futures Account”, representing initial margin paid, for entering into contracts for Equity Index/Stock Futures, which are released on final settlement/squaring-up of underlying contracts, is disclosed as under Loans and advances.

11. Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period) and fringe benefit tax.

Deferred taxation

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realized.

12. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generated unit to which the asset belongs, is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

13. Provisions, Contingent Liabilities & Contingent Assets

Contingent liabilities, if material, are disclosed by way of notes, contingent assets are not recognized or disclosed in the financial statements. A provision is recognized when an enterprise has a present obligation as a result of past event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation(s), in respect of which a reliable estimate can be made for the amount of obligation.

II) NOTES ON ADJUSTMENTS

- a.) Summary of results of restatements made in the audited financial statements of the Company for the respective years/period and their impact on the profits of the Company is as under:

Particulars	for the period ended 31-Dec-10	for the year ended				
		31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Profit after tax as per audited financial statement	114.93	195.15	52.29	54.78	18.10	19.06
Increase/(Decrease) in accumulated profits as a result of adjustments for:	-	-	-	-	-	-
(a) Tax Adjustments (refer note b (i)(a))	1.13	0.05	-	1.53	(0.18)	2.37
(b) Disallowance of Expenses in Income Tax Assessments:- Securities Transaction Tax (reallocated to the respective years)	-	-	-	-	-	-
(c) error in calculation of deferred tax liability (refer note b (i)(b))	(1.49)	0.14	1.35	-	-	-
Adjusted/Restated Profit	114.57	195.33	53.63	56.31	17.92	21.44

(₹ in Lacs)

Reconciliation of Profit and Loss account as at April 1, 2005
(₹ in Lacs)

Sr.	Particulars	Amount
1.	Profit and Loss account balance as at April 1, 2005, as per audited financial statements	143.61
2.	Increase/(Decrease) in accumulated profit as at April 1, 2005 as a result of following adjustments : - Tax adjustment (refer note b(i)(a))	(4.89)
3.	Profit and Loss account balance as at April 1, 2005, as restated	138.72

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

I Adjustments having impact on Profit

- Tax Adjustments: The Profit and Loss Account of some years include amount paid / provided for or refunded /written back in respect of shortfall / excess income tax arising out of assessments, etc. which has now been adjusted in the respective years.
- Adjustment made due to error in calculation of Deferred Tax in the financial year 2008-09 and 2009-10, which have been rectified in 1st quarter of the current year. The restated summary statements for the said periods have been appropriately adjusted.

II Adjustments having no impact on Profit

- Appropriate adjustments have been made in the Restated Statements of Assets and Liabilities, Profits and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for the nine month ended on December 31, 2010 and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009.
- Fixed deposit with bank has been shown under loans and advances group for the period from 2006-07 to 2008-09. The same has been regrouped under Cash & Bank Balance to bring them in line with the groupings as per the audited financials of the Company for the nine month ended on December 31, 2010.

(₹ in Lacs)

Particulars	Year Ended			
	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Decrease in loans & Advances	440.61	105.83	111.33	-
Increase in Cash & Bank Balance	440.61	105.83	111.33	-

- Other Current Assets have been shown under current assets group for the period from 2005-06 to 2008-09. The same has been regrouped under Loans and Advances except accrued interest to bring them in line with the groupings as per the audited financials of the Company for the nine month ended on December 31, 2010.

(₹ in Lacs)

Particulars	Year Ended			
	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Decrease in Other Current Assets	6.74	7.71	10.04	111.40
Increase in Loans & Advances	6.74	7.71	10.04	111.40

- d. Bank overdrafts have been shown under current liability group for the period from 2006-07 to 2008-09. The same has been regrouped under Secured Loan to bring them in line with the groupings as per the audited financials of the Company for the nine month ended on December 31, 2010.

(₹ in Lacs)

Particulars	Year Ended			
	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Decrease in Current Liability	83.43	18.02	-	-
Increase in Secured Loan	83.43	18.02	-	-

- e. "Interest on Fixed Deposits" and "Bank Interest on Overdraft" which were hitherto shown separately as income and expenses respectively have now been regrouped and the interest paid on bank overdraft have been netted off from the interest income on fixed deposit, for the appropriate presentation of the financial data.

Interest on Fixed Deposit (net)

(₹ in Lacs)

Particulars	for the period ended 31-Dec-10	for the year ended				
		31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Interest on Fixed Deposits	31.55	37.93	10.25	7.43	6.66	7.19
Less: Bank Interest on Overdraft	(17.97)	(2.29)	(5.48)	(9.48)	(2.29)	(1.03)
Less: Bank Gurantee Commission	(7.06)	(7.66)	(3.68)	(3.92)	(2.20)	(2.55)
(secured against above fixed deposits)						
Interest on Fixed Deposits (net)	6.52	27.99	1.09	-	2.17	3.60
Bank Interest & Overdraft (net)	-	-	-	(5.98)	-	-

III) NOTES TO ACCOUNTS

- The Restated Financial Statements relate to the Company and have been prepared specifically for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering.

The Restated Financial Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 ("The Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Regulations") notified by SEBI on August 26, 2009, as amended from time to time.

The Restated Financial Statements have been prepared in respect of five years (for the accounting year ended 31st March 2006, 2007, 2008, 2009, 2010) and for a period of nine months ended December 31, 2010

Prior year figures have been regrouped, rearranged & recast where considered necessary to confirm with the current periods classification.

2. Contingent Liabilities

(₹ in Lacs)

Particulars	As at 31-Dec-10	As at				
		31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Claims against the company not acknowledge as debts	-	-	-	-	-	-
Bank guarantees given for						
- Indo Thai Commodities Pvt. Ltd.	275	275	275	275	275	275

3. Details of Counter Guaranteed & Fixed Deposits pledge with Banks

(₹ in Lacs)

Particulars	As at 31-Dec-10	As at				
		31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Counter guarantees in respect of guarantees given by banks to the Stock Exchanges towards base capital, margin deposits etc.	430.00	430.00	392.00	157.00	200.00	195.00
Pledged of fixed deposits with the bank against the above bank guarantees.	140.00	140.00	121.00	39.25	100.00	97.50

4. Details of Directors Remuneration

(₹ in Lacs)

Particulars	Period Ended 31-Dec-10	For the year ended				
		31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Managing Director						
- Salary	3.69	4.92	4.92	4.92	4.92	4.80
- Contribution to Provident Fund	-	-	-	-	-	-
- Perquisites	0.99	1.32	1.32	1.32	1.32	0.79
Whole Time Directors						
- Salary	2.20	1.32	1.20	1.20	-	1.20
Total	6.88	7.56	7.44	7.44	6.24	6.79

5. Details of Auditors Remuneration (excluding service tax)

(₹ in Lacs)

Particulars	Period Ended 31-Dec-10	For the year ended				
		31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Audit Fee (including Tax Audit Fees)	0.40	0.12	0.12	0.12	0.12	0.12
Other Services	0.10	-	-	0.22	0.20	0.10
Total	0.50	0.12	0.12	0.34	0.32	0.22

6. Computation of Earning Per Shares

(₹ in Lacs)

Particulars	Period Ended 31-Dec-10	For the year ended				
		31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
a) Net Profit After Tax available to Equity Shareholders (Rs. In lacs)	114.57	195.33	53.63	56.31	17.92	21.44

b) Weighted Average Number of Equity	60,00,000	60,00,000	60,00,000	60,00,000	60,00,000	60,00,000
c) Earnings Per share (Rs.) not annualized for the period ended 31.12.2010	1.91	3.26	0.89	0.94	0.30	0.36

7. Pursuant to Accounting Standard "Accounting for Taxes on Income" (AS 22), the Company has accounted for Deferred Tax adjustments representing tax effect of timing differences in respect of the under mentioned items.

Components of Deferred Tax Liabilities / (Assets) are as follows:

Particulars	Period Ended 31-Dec-10	For the year ended				
		31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Depreciation / Amortization of Fixed Assets	(0.15)	0.33	1.14	1.81	1.48	1.82
Provision for Doubtful Debts	-	-	-	-	-	-
Others	-	-	-	-	-	-
Net Deferred Tax Liability / (Assets)	(0.15)	0.33	1.14	1.81	1.48	1.82

8. In the opinion of the Board, subject to the debts considered doubtful, Current Assets and Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
9. Securities are normally held by the Company in its own name except securities pledged with exchange. Securities, which are not registered in the name of the Company, are held by the company with valid transfer documents.
10. Securities received from clients as collateral for margins are held by the Company in its own name in a fiduciary capacity.
11. The company's operations predominantly consist of "Broking of shares/securities & other related activities ". As per the definition of Business Segment and Geographical Segment contained in Accounting Standard 17 "Segment Reporting", the management is of the opinion that the Company's operation comprise of operating in Primary and Secondary market and incidental activities thereto, there is neither more than one reportable business segment nor more than one reportable geographical segment, and, therefore, segment information as per Accounting Standard 17 is not required to be disclosed.
12. The company accounts for Gratuity payable to its employees on payment basis, the above practice is in non compliance of recommendations of Accounting Standard - 15 "Employees Benefits" which prescribes actuarial valuation method for the same. Amount of such non provision as per actuarial valuation is currently unascertainable.
13. Company pledged RIIL (300 shares) and TCI share (1300 shares out of 1317 shares) with Globe Fincap Ltd. for margin, these shares held as investment in company account.
14. The company has written off entire amount of deferred revenue expenses in current year. (previous year balance is ₹ 13048/-)
15. The company has issued Bonus shares in proportion of 2 equity shares for every 1 existing equity shares at the Extra Ordinary General Meeting held on July 19, 2010 by capitalizing the Reserves and

Surplus A/c. The bonus shares have been allotted on July 31, 2010 to the eligible shareholders. Consequently, Equity share capital has since then risen to ₹ 6,00,00,000.

16. During the period under review, the Company has delayed the payment of certain statutory dues such as Provident Fund, Employees state Insurance Corporation, Service Tax, TDS etc. The liability on account of delayed or non compliance of the said fiscal statues is presently unascertainable.

17. Fixed deposits with scheduled banks under the lien of (as on 31st December 2010) :

Bank Name	FD Amount	Lien
Canara Bank	25.00 Lacs	Canara Bank VSL A/c
Canara Bank	50.00 Lacs	Canara Bank VSL A/c
Canara Bank	21.59 Lacs	Canara Bank VSL A/c
Canara Bank	13.50 Lacs	Canara Bank VSL A/c
Canara Bank	25.00 Lacs	Canara Bank OD A/c
Canara Bank	42.51 Lacs	Canara Bank OD A/c
Canara Bank	25.00 Lacs	NSE (Margin A/c)
Indusind Bank	60.00 Lacs	Indusind Bank (Bank guarantee for Capital Market NSE)
Indusind Bank	5.00 Lacs	Indusind Bank (Bank guarantee for Capital Market BSE)
Bank of India	245.00 Lacs	Bank of India (Bank Guarantee for F&O, CDS)
HDFC Bank	3.00 Lacs	Pledge with Globe Capital Market Ltd.

ANNEXURE -V

STATEMENT OF ACCOUNTING RATIOS:

Particulars	31-Dec-10	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Earning per Share (EPS) (₹) (Basic & Diluted)	1.91	3.26	0.89	0.94	0.30	0.36
Net Asset Value (NAV) (₹ per share)	13.30	11.39	8.13	7.24	6.30	6.00
Return on Net Worth (RONW) (%)	14.36%	28.59%	10.99%	12.97%	4.74%	5.96%
Weighted average No. of Equity Shares outstanding during the year/period(Including Bonus issue of shares)	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
No. of Equity Shares outstanding at the end of the year/period(Including Bonus issue of shares)	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000

Notes:

1. The Ratios has been computed as below:

$$\text{Earning Per Share (₹)} = \frac{\text{Net Profit After Tax}}{\text{Weighted Average Number of Equity Shares outstanding during the year/period}}$$

$$\text{Diluted Earning Per Share (₹)} = \frac{\text{Net Profit After Tax}}{\text{Weighted Average Diluted Number of Equity Shares}}$$

Net Asset Value Per Share (₹) =
$$\frac{\text{Net Worth Excluding Revaluation Reserve}}{\text{Number of Equity Shares outstanding as at the year/period end}}$$

Return on Net Worth (%) =
$$\frac{\text{Net Profit After Tax} \times 100}{\text{Net Worth Excluding Revaluation Reserve}}$$

2. Computation of Earnings per share (Basic & Diluted) and Return on net worth for the period ended 31st December 2010 are for Nine months and has not been annualized.
3. The Earnings per share is calculated in accordance with — Earnings per share (AS-20) issued by ICAI.
4. Net Worth = Equity Share Capital + Reserves & Surplus - Miscellaneous Expenditure not written off or adjusted.
5. Net Profit, as restated & as appearing in the statement of profit and losses, of the company has been considered for the purpose of computing the above ratios.
6. The shareholders have approved the issue of Bonus shares in proportion of 2 equity share for every 1 existing equity share at the Extra Ordinary General Meeting held on 19-July-10. The bonus shares have been allotted on 31-July-10 to the eligible shareholders.
7. Earnings per share and Net Assets Value per share have been restated and presented separately, for the change in the number of equity share on account of Bonus for all the periods for which Earnings per share and Net Assets Value have been presented.

ANNEXURE- VI

STATEMENT OF RESTATED CAPITALISATION STATEMENT:

(₹ In Lacs)

Particulars	Pre Issue as at 31-Dec-10	Post issue
Debts		
Short term debts	17.17	[•]
Long term debts	12.51	[•]
Total Debts	29.68	[•]
Shareholders' Fund		
Share capital	600.00	[•]
Reserves and surplus	197.92	[•]
Total Shareholders' Funds	797.92	[•]
Total Debts/Shareholders Funds (Ratio)	0.04	
Long Term Debts/Shareholders Funds (Ratio)	0.02	[•]

Notes:

1. The capitalisation statement has been calculated on the basis of restated financial statements.
2. Share Capital & Reserves & Surplus post issue can be calculated only on the conclusion of the book building process.
3. The shareholders approved the issue of Bonus shares in proportion of 2 equity shares for every 1 existing equity shares at the Extra Ordinary General Meeting held on July 19, 2010 by capitalising the Reserves & Surplus A/c. The bonus shares have been allotted on July 31, 2010 to the eligible shareholders. Consequently, Equity share capital has since then risen to ₹ 6,00,00,000

ANNEXURE - VII
STATEMENT OF RESTATED SECURED LOANS:
(₹ In Lacs)

Particulars	As at 31- Dec-10	As at 31- Mar-10	As at 31- Mar-09	As at 31- Mar-08	As at 31- Mar-07	As at 31- Mar-06
Term Loan from ICICI Bank Ltd.	12.51	30.32	56.33	102.82	-	-
(Secured against Mortgage of Land)						
Working Capital Loan from M.P.F.C.	15.00	19.50	26.11	-	7.00	12.35
(Secured against Hypothecation of Furniture & Fixture and office equipments)						
VSL Loan from Canara Bank	48.45	49.08	-	-	-	-
(Secured against FDR's)						
VSL Loan from Canara Bank	20.99	21.40				
(Secured against FDR's)						
VSL Loan from Canara Bank	14.23					
(Secured against FDR's)						
VSL Loan from Canara Bank	21.92					
(Secured against FDR's)						
Overdraft form Bank's	51.09	51.39	83.43	18.02	-	-
(Secured against FDR's)						
Citi Bank	-	-	-	-	-	33.65
(Secured against Inventory)						
ICICI Bank	-	-	-	-	0.41	1.61
(Secured against Hypothecation of Car)						
ICICI Bank	-	-	-	-	0.86	2.06
(Secured against Hypothecation of Car)						
TOTAL	184.20	171.70	165.88	120.84	8.27	49.67

Principal Terms and conditions of secured loans of the Company outstanding as on December 31, 2010

(₹ In Lacs)

Sr. No.	Name of the Lenders	Amount Sanctioned as of December 31, 2010	Interest in % p.a.	Security
1	ICICI Bank Ltd.	110.00	12.75% (FRR)	Mortgage of Immovable Property situated at Plot no. 29-A, Scheme no. 71, Sector-C, Indore
2	Madhya Pradesh Financial Corporation (M.P.F.C.)	30.00	14.50%	Hypothecation against all Plant, machinery & Equipment kept in the office situated at Head Office.
3	Canara Bank	48.00	FD+2%	Pledge of Fixed Deposits
4	Canara Bank	21.00	FD+2%	Pledge of Fixed Deposits

5	Canara Bank	14.30	FD+2%	Pledge of Fixed Deposits
6	Canara Bank	22.00	FD+2%	Pledge of Fixed Deposits
7	Canara Bank	52.00	FD+2%	Pledge of Fixed Deposits

ANNEXURE- VIII

STATEMENT OF RESTATED INVESTMENT:

(₹ In Lacs)

PARTICULARS	As at 31-Dec- 10	As at 31-Mar- 10	As at 31- Mar -09	As at 31- Mar -08	As at 31- Mar -07	As at 31- Mar - 06
Investments - Long Term - At Cost						
Trade Investments - Quoted						
Equity Shares (Fully paid up)						
TCI IND#	34.48	35.63	14.13	15.02	15.02	-
REL *						
REL CAPITAL *						
RELIANCE				12.42	12.42	
RNRL *						
RCVL (RCOM) *	-	-	-	-	-	-
RIIL	1.25	1.25	1.25	1.25	1.25	-
UTI BANK			2.49			
TOTAL A	35.73	36.88	17.87	28.69	28.69	
Non Trade Investments – Unquoted						
Indo Thai Commodity Pvt. Ltd.	42.52	42.52	42.52	42.52	42.52	42.52
Surana Estate & Commodity Trading Pvt. Ltd.			2.00			
TOTAL B	42.52	42.52	44.52	42.52	42.52	42.52
Canbank Mutual Fund	-	2.00	2.00	2.00	-	-
TOTAL C		2.00	2.00	2.00		
NET INVESTMENTS - (A+B+C)	78.25	81.40	64.39	73.21	71.21	42.52
Market Value of Quoted Investments	28.59	35.80	39.49	157.19	92.02	NA

ANNEXURE - IX

STATEMENT OF LOANS AND ADVANCES:

(₹ In Lacs)

Particulars	As at 31-Dec- 10	As at 31-Mar- 10	As at 31-Mar- 09	As at 31-Mar- 08	As at 31- Mar- 07	As at 31-Mar- 06
(Unsecured and considered good, unless otherwise stated)						
Loans and advances						
Loans and advances to subsidiaries:	-	-	-	-	-	-
Loans to staffs	-	-	-	-	-	0.28
Loans to others	-	-	-	-	-	-
Advances recoverable in cash or in kind or for value to be received	0.47	0.25	0.06	0.01	0.50	0.47
Deposits with Government, Public Bodies, etc.	201.31	199.88	201.21	189.04	80.31	109.33
Prepaid Expenses	15.92	5.45	6.29	2.53	3.68	1.62

Taxes paid (Advance tax and TDS receivable)	22.35	4.50	0.39	5.16	1.07	1.64
Fringe benefit tax paid	-	-	-	-	-	-
Total	240.05	210.08	207.95	196.74	85.56	113.34

NOTES:

- 1) The list of persons / entities classified as "Promoter Group & Group Companies" has been determined by the Management and relied upon by Auditors. The Auditors have not performed any procedures to determine whether this list is accurate or complete.
- 2) The above statement should be read with statement of related party transactions, as restated as per annexure XIV.

ANNEXURE - X

STATEMENT OF SUNDRY DEBTORS:

(₹ In Lacs)

Particulars	As at 31-Dec-10	As at 31-Mar-10	As at 31-Mar-09	As at 31-Mar-08	As at 31-Mar-07	As at 31-Mar-06
(Unsecured, considered good unless otherwise stated)						
Debt outstanding for a period exceeding six months	44.98	30.62	51.30	25.35	72.66	141.56
Others	1094.06	132.50	123.54	196.14	133.37	229.73
Total (A+B)	1139.04	163.12	174.84	221.49	206.03	371.29

ANNEXURE - XI

STATEMENT OF RESTATED CONTINGENT LIABILITIES:

(₹ In Lacs)

Particulars	As at 31-Dec-10	As at 31-Mar-10	As at 31-Mar-09	As at 31-Mar-08	As at 31-Mar-07	As at 31-Mar-06
Guarantee given to banks in respect of credit facilities sanctioned to group concern in which directors/partners are interested as directors/partners	275.00	275.00	275.00	275.00	275.00	275.00
Total	275.00	275.00	275.00	275.00	275.00	275.00

ANNEXURE - XII

STATEMENT OF RESTATED INCOME FROM OPERATION:

(₹ In Lacs)

Particulars	As at 31-Dec-10	As at 31-Mar-10	As at 31-Mar-09	As at 31-Mar-08	As at 31-Mar-07	As at 31-Mar-06
Brokerage & Commission Income	343.20	311.62	164.93	282.73	142.49	204.22
Income from Depository Operations	9.38	14.69	8.66	5.62	-	-
Profit from Share Trading	-	0.79	-	42.27	24.12	-
Misc. Charges Collected from Clients	33.37	55.89	40.03	42.99	35.10	45.89

Late Payment Charges Collected	-	-	0.61	1.10	2.37	-
Short Delivery Charges Collected	-	-	-	-	0.85	1.27
Short Term Capital Gain on Investment	0.21	-	0.08	-	-	-
Long Term Capital Gain on Investment	-	88.47	44.34	-	-	-
Dividend Received	0.11	2.22	-	-	-	-
Total	393.92	473.68	258.64	374.71	204.93	251.37

ANNEXURE - XIII

STATEMENT OF RESTATED OTHER INCOME:

(₹ In Lacs)

PARTICULARS	As at 31-Dec-10	As at 31-Mar-10	As at 31-Mar-09	As at 31-Mar-08	As at 31-Mar-07	As at 31-Mar-06
Interest on fixed deposits with banks	6.52	27.99	1.09	-	2.17	3.60
Bad Debts Recovered	0.08	0.18	2.13	-	-	-
Miscellaneous income	1.10	3.09	1.51	1.59	0.53	0.93
Demat Charges	-	-	-	0.12	0.61	1.62
Interest on loans and deposits	-	-	-	-	-	-
Profit on sale of fixed assets (net)	-	0.52	-	0.64	0.67	-
Total	7.70	31.77	4.73	2.34	3.98	6.15

ANNEXURE - XIV

STATEMENT OF RESTATED RELATED PARTIES TRANSACTIONS:

(₹ In Lacs)

Nature of Transactions	Name Party	Nature of Relationship	As at 31-Dec-10	As at 31-Mar-10	As at 31-Mar-09	As at 31-Mar-08	As at 31-Mar-07	As at 31-Mar-06
Brokerage Received (During the period)	Anita Khasgiwala	Sister of Mr. Rajendra Bandi	-	0.01	0.00	0.04	0.01	0.12
	Dhanpal Doshi	KMP	0.56	0.33	1.09	0.15	2.43	2.19
	Dhanpal Doshi HUF	HUF of KMP	0.77	11.76	2.18	5.06	-	-
	Indermal Bandi	Father of Mr. Rajendra Bandi	-	-	-	0.01	0.09	-
	Jaya Bandi	Mother of Mr. Rajendra Bandi	0.03	-	-	-	-	-
	Paras Doshi	KMP	4.82	2.05	0.19	0.83	2.05	0.30
	Paras Doshi HUF	HUF of KMP	0.06	2.76	0.65	1.10	-	-
	Praveen Bandi	Brother of Mr. Rajendra Bandi	-	0.00	0.00	0.07	2.96	1.57
	Rajendra Bandi	KMP	0.12	0.85	0.33	0.46	0.37	0.01
	Rajmati Hingad	Sister of Mr. Paras Doshi	0.47	1.13	0.08	0.05	-	0.01

	Ritu Doshi	Daughter of Mr. Paras Doshi	12.86	2.36	1.43	0.14	0.14	-
	Romil Bandi	Son of Mr. Rajendra Bandi	0.02	0.09	-	-	-	-
	Sadhana Doshi	Spouse of Mr. Dhanpal Doshi	7.96	19.11	5.79	8.56	3.18	4.47
	Shantilal JI Doshi	Father of Paras & Dhanpal Doshi	-	-	-	0.00	0.60	1.53
	Sunita Bandi	Spouse of Mr. Rajendra Bandi	0.37	0.65	0.78	0.00	0.60	-
	Varsha Doshi	Spouse of Mr. Paras Doshi	0.57	0.03	0.60	0.07	0.10	0.41
	Indothai Commodities Pvt.Ltd.	Sister Concern	0.01	-	0.07	-	-	0.00
	Total		28.61	41.11	13.19	16.54	12.53	10.61
Remuneration paid the (During period)	Dhanpal Doshi (M.D.)	KMP	4.68	6.24	6.24	6.24	6.24	5.59
	Sadhana Doshi	Spouse of Dhanpal Doshi	1.80	1.98	1.74	1.73	1.74	1.32
	Paras Doshi	KMP	4.05	3.15	-	-	-	-
	Paras Doshi (Whole Time Director)	KMP	2.20	-	-	-	-	-
	Praveen Bandi	Brother of Mr. Rajendra Bandi	1.47	1.32	1.42	1.32	1.25	1.09
	Rajendra Bandi (Whole Time Director)	KMP	-	1.32	1.20	1.20	-	1.20
	Ritu Doshi	Daughter of Mr. Paras Doshi	2.51	2.01	-	-	-	-
	Total		16.71	16.02	10.60	10.49	9.23	9.20
Rent paid the (During period)	Paras Doshi HUF	HUF of KMP	0.72	1.44	1.44	1.44	0.96	0.96
	Dhanpal Doshi HUF	HUF of KMP	0.81	1.62	1.62	1.62	1.08	1.08
	Praveen Bandi	Brother of Mr. Rajendra Bandi	0.63	1.08	1.08	1.08	0.26	0.26
	Sadhana Doshi	Spouse of Dhanpal Doshi	2.48	3.30	3.30	3.30	-	-
	Total		4.64	7.44	7.44	7.44	2.30	2.30
Receivables (Outstanding as on date)	Anita Khasgiwala	Sister of Mr. Rajendra Bandi	-	-	-	-	0.03	-
	Dhanpal Doshi	KMP	16.42	6.07	-	-	17.58	4.32
	Dhanpal Doshi HUF	HUF of KMP	-	-	-	0.52	-	-

	Jaya Bandi	Mother of Mr. Rajendra Bandi	0.88	-	-	-	-	-
	Paras Doshi	KMP	1.72	-	-	1.85	-	-
	Paras Doshi HUF	HUF of KMP	-	-	-	2.76	-	-
	Praveen Bandi	Brother of Mr. Rajendra Bandi	-	-	-	4.07	23.08	17.57
	Rajendra Bandi HUF	HUF of KMP	0.01	0.01	-	-	-	-
	Rajmati Hingad	Sister of Mr. Paras Doshi	-	0.21	-	-	-	0.09
	Ritu Doshi	Daughter of Mr. Paras Doshi	-	-	0.72	-	0.07	-
	Romil Bandi	Son of Mr. Rajendra Bandi	0.52	-	-	-	-	-
	Sadhana Doshi	Spouse of Mr. Dhanpal Doshi	-	-	-	22.18	13.27	11.68
	Shantilal JI Doshi	Father of Paras & Dhanpal Doshi	-	-	-	-	-	22.40
	Sunita Bandi	Spouse of Mr. Rajendra Bandi	-	-	0.82	-	-	6.98
	Varsha Doshi	Spouse of Mr. Paras Doshi	28.37	-	-	4.62	5.89	5.92
	Total		47.92	6.29	1.54	36.00	59.92	68.96
Payables (Outstanding Balance as on date)	Anita Khasgiwala	Sister of Mr. Rajendra Bandi	0.02	-	0.02	0.01	-	0.45
	Avanta Bai Doshi	Mother of Paras & Dhanpal Doshi	-	-	-	-	0.30	0.27
	Dhanpal Doshi	KMP	-	-	0.65	4.32	-	-
	Dhanpal Doshi HUF	HUF of KMP	2.82	-	1.29	-	-	-
	Indermal Bandi	Father of Mr. Rajendra Bandi	-	-	-	-	0.05	7.43
	Jaya Bandi	Mother of Mr. Rajendra Bandi	-	-	-	-	-	0.32
	Paras Doshi	KMP	-	-	-	-	1.10	1.60
	Paras Doshi HUF	HUF of KMP	4.93	-	3.84	-	-	-
	Praveen Bandi	Brother of Mr. Rajendra Bandi	33.41	0.04	0.75	-	-	-
	Praveen Bandi HUF	HUF of KMP	-	-	-	-	-	1.90
	Rajendra Bandi	KMP	7.97	0.02	0.60	1.75	2.37	-
	Rajmati Hingad	Sister of Mr. Paras Doshi	1.95	-	-	-	0.30	-
	Ritu Doshi	Daughter of Mr. Paras Doshi	5.71	-	-	0.01	-	-

	Romil Bandi	Son of Mr. Rajendra Bandi	-	0.03	-	-	-	-
	Sadhana Doshi	Spouse of Mr. Dhanpal Doshi	58.19	4.22	14.16	-	-	-
	Sunita Bandi	Spouse of Mr. Rajendra Bandi	5.03	0.02	-	0.07	1.08	-
	Varsha Doshi	Spouse of Mr. Paras Doshi	-	7.93	0.41	-	-	-
	Vijaya Jain	Sister of Mr. Paras Doshi	5.99	-	-	-	-	-
	Indothai Commodities Pvt.Ltd.	Sister Concern	0.04					
	Rajendra Bandi	KMP	1.31	1.30	2.39	-	-	-
	Total		127.37	13.56	24.11	6.16	5.20	11.97
Investment (Outstanding as on date)	Surana Estate And Commodity Trading Private Limited	Sister Concern	-	-	2.00	-	-	-
	Indothai Commodities Pvt.Ltd.	Sister Concern	42.52	42.52	42.52	42.52	42.52	42.52
	Total		42.52	42.52	44.52	42.52	42.52	42.52
Guarantees given (Amount restricted to the maximum commitment)	Indothai Commodities Pvt.Ltd.	Sister Concern	275.00	275.00	275.00	275.00	275.00	275.00
	Total		275.00	275.00	275.00	275.00	275.00	275.00

ANNEXURE - XV

STATEMENT OF TAX SHELTERS:

(₹ In Lacs)

PARTICULARS	As at	As at	As at	As at	As at
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Profit before tax but after exceptional items as per audited accounts	254.41	59.64	82.41	29.86	33.29
Less: Capital Gains included in above	(88.47)	(44.34)	-	-	-
	165.94	15.31	82.41	29.86	33.29
Normal Tax Rate	33.99%	30.90%	30.90%	33.66%	33.66%
Long term Capital Gain Tax Rate	22.44%	22.44%	22.44%	22.44%	22.44%
Short term Capital Gain Tax Rate	16.995%	11.33%	11.33%	11.33%	11.33%
Mat Tax Rate	16.995%	11.33%	11.33%	8.42%	8.42%
Notional Tax Expenses at regular Rates	56.40	4.73	25.46	10.05	11.20
Notional Tax Expenses for Short Term/ Long Term Capital Gains	0.00	0.00	0.00	0.00	0.00
Total	56.40	4.73	25.46	10.05	11.20
Adjustments					

Permanent Differences:					
Dividend Income exempt u/s 10	(2.22)	-	-	-	-
Donation	-	-	0.58	0.78	0.14
Interest on TDS	-	-	0.09	0.01	0.11
Interest on Income Tax	-	-	0.24	0.68	2.07
Other Permanent Differences	0.85	0.92	2.24	0.00	0.08
(Profit) / Loss on sale of fixed assets	(0.52)	-	(0.64)	(0.67)	-
Total (A)	(1.89)	0.92	2.50	0.80	2.40
Timing Differences :					
Depreciation (excess of book Depreciation over Tax Depreciation)	3.24	2.17	(0.83)	1.69	3.59
Total (B)	3.24	2.17	(0.83)	1.69	3.59
Deduction Claimed:					
Donation u/s 80G	-	-	(0.26)	(0.11)	-
Total (C)	-	-	(0.26)	(0.11)	-
Net Adjustments (A)+(B)+(C)	1.36	3.09	1.42	2.38	5.99
Tax Expenses/(Saving)	0.46	1.32	0.11	0.59	2.02
Total Tax (without interest)	56.86	6.05	25.57	10.65	13.22
Add: Interest u/s 234 A/B/C	3.86	0.26	1.24	0.47	1.10
Less: Tax saving due to Rebate u/s 88E	-	-	(9.80)	(1.70)	-
Total Tax	60.72	6.31	17.00	9.42	14.32
Total Tax payable as per Return of Income	60.72	6.31	17.00	9.42	14.32

Notes:

1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account'
2. Excess tax expenses in year 2005-06 due to disallowance of Interest on Income Tax of ₹ 207315/-

ANNEXURE - XVI

STATEMENT OF DIVIDEND PAID/ PAYABLE:

(₹ In Lacs)

Particulars	As at 31-Dec-10	As at 31-Mar-10	As at 31-Mar-09	As at 31-Mar-08	As at 31-Mar-07	As at 31-Mar-06
Dividend proposed/paid	Nil	Nil	Nil	Nil	Nil	Nil

ANNEXURE XVII

STATEMENT OF QUALIFICATIONS:

The company accounts for Gratuity payable to its employees on payment basis, the above practice is in non compliance of recommendations of Accounting Standard - 15 "Employees Benefits" which prescribes actuarial valuation method for the same.

FINANCIAL INFORMATION OF GROUP COMPANIES

Following are our Group Companies:

1. Indo Thai Commodities Private Limited (ITCPL)
2. Indo Thai Real Estate Private Limited (ITREPL)
3. Surana Estate & Commodity Trading Private Ltd. (SECTPL)
4. Vistar Villas Private Limited (VVPL)
5. Sand & Stone Residency Private Limited (SSRPL)
6. Geetanjali Buildcon Private Limited (GBPL)
7. Shakuntal Infracon Private Limited (SIPL)
8. Citadel Real Estates Private Limited (CREPL)
9. Future Infraestates Private Limited (FIPL)
10. Provident Real Estates Private Limited (PREPL)
11. Rising Infra Real Private Limited (RIRPL)

Partnership Firms:

1. Dinesh Enterprise

As per Schedule VIII (IX) (C) (2) of SEBI (ICDR) Regulations, 2009 we have given financial information for five largest unlisted companies based on turnover.

1. Indo Thai Commodities Private Limited.

Date of Incorporation	November 21, 2003
CIN	U51101MP2003PTC016226
Registered Office	14, 4th Floor, Dawa Bazar, R.N.T Marg, Indore – 452 001 (M.P.)
Nature of Business	Commodity Broking

The Company was incorporated as Indo Thai Derivatives and Commodity Exchange Private Limited on November 21, 2003 under the Provisions of the Companies Act, 1956. The Name of the Company was subsequently changed to Indo Thai Commodity Exchange Private Limited on January 08, 2004. Further the Name of the Company was changed to Indo Thai Commodities Private Limited on March 30, 2009.

Board of directors of ITCPL as on date of filing Draft Red Herring Prospectus

Sr.No.	Name of Directors
1	Mr. Parasmal Doshi
2	Mr. Dhanpal Doshi

Particulars of Shareholding

The shareholding pattern of the company as on date of filing Draft Red Herring Prospectus:

Particulars	No. of Shares	% of Shareholding
M/s Indo Thai Securities Limited	744100	40.05
Paramal Doshi	203000	10.93
Dhanpal Doshi	192500	10.36
Varsha Doshi	206850	11.13
Sadhana Doshi	206850	11.13
Awantabai Doshi	147700	7.95
Paras Doshi(HUF)	17500	0.94
Dhanpal Doshi(HUF)	17500	0.94

Vivek Hingad	14000	0.75
Aroma Vincom Private Limited	4000	0.22
Drishtikon Vanijya Private Limited	12000	0.65
Allied Global Infrastructure Limited	8000	0.43
Gautam Resources Limited	12000	0.65
Arrow Manpower Services Pvt. Ltd.	8000	0.43
Nature Infosoft Private Limited	4000	0.22
Sundeeep Credits Private Limited	28000	1.51
Natraj Agrotech Private Limited	8000	0.43
Reckon Power Industries Limited	8000	0.43
Vivek Kumar Jain	16000	0.86
Total	1858000	100.00

The Brief financials of the Company are given below:

(₹ In Lacs)

Particulars for the year Ended	March 31, 2008	March 31, 2009	March 31, 2010
Total Income	211.19	168.25	226.46
Profit/ Loss After Tax	32.91	20.74	63.93
Equity Share Capital	21.70	25.00	25.00
Reserves & Surplus (Excluding Revaluation Reserves)	121.07	167.68	228.69
NAV	65.79	77.07	101.48
EPS	15.16	8.29	25.57

The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

There are no defaults in meeting any statutory/ bank/ institutional dues and no proceedings have been initiated for economic offences against the Company.

2. Indo Thai Real Estate Private Limited

Date of Incorporation	October 11, 2007
CIN	U70102MP2007PTC019909
Registered Office	16, 4th Floor, Dawa Bazar, R.N.T Marg, Indore – 452 001 (M.P.)
Nature of Business	Real Estate activities

The Company was incorporated as Indo Thai Real Estate Private Limited on October 11, 2007 under the Provisions of the Companies Act, 1956.

Board of directors of ITREPL as on date of filing Draft Red Herring Prospectus

Sr.No.	Name of Directors
1	Mr. Parasmal Doshi
2	Mr. Dhanpal Doshi

Particulars of Shareholding:

The shareholding pattern of the company as on date of filing Draft Red Herring Prospectus:

Particulars	No. of Shares	% of Shareholding
Shri Dhanpal Doshi	75000	37.80
Shri Parasmal Doshi	15800	7.96
K.D.K Food Grains Pvt. Ltd.	40000	20.16
Radha Madhav Agro Tech Pvt. Ltd.	5000	2.52
Manomay Food & Beverages Pvt. Ltd.	6000	3.02
Smt. Varsha Doshi	35600	17.94
Shri Dhanpal Doshi (HUF)	100	0.05
Shri Parasmal Doshi (HUF)	100	0.05
Smt. Sadhana Doshi	20100	10.13
Ms. Ritu Doshi	100	0.05
Shri Darshanlal Sethi	100	0.05
Shri Manish Godbole	100	0.05
Shri Sudhakar Godbole	100	0.05
Smt. Varsha Pande	100	0.05
Shri V.G. Pande	100	0.05
Ms. Vaishali Bisht	100	0.05
Total	198400	100.00

The Brief financials of the Company are given below:

(₹ In Lacs)

Particulars for the year Ended	*March 31, 2008	March 31, 2009	March 31, 2010
Total Income	0.00	3.58	11.48
Profit/ Loss After Tax	(0.67)	1.42	0.85
Equity Share Capital	5.11	19.84	19.84
Reserves & Surplus (Excluding Revaluation Reserves)	0.00	0.74	1.60
NAV	10.00	10.37	10.80
EPS	(1.32)	0.71	0.43

* For the period from 11th October, 2007 to 31st March, 2008

The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

There are no defaults in meeting any statutory/ bank/ institutional dues and no proceedings have been initiated for economic offences against the Company.

3. Shakuntal Infracon Private Limited

Date of Incorporation	January 28, 1997
CIN	U01122MP1997PTC011613
Registered Office	33, Shiv Vilas Palace, Rajwada, Indore – 452004 (M.P.)
Nature of Business	Real Estate activities

The Company was incorporated as Suramya Developers Private Limited on January 28, 1997 under the Provisions of the Companies Act, 1956. The Name of the Company was subsequently changed to Shakuntal Infracon Private Limited on July 13, 2010.

Board of directors of SIPL as on date of filing Draft Red Herring Prospectus:

Sr. No.	Name of the Directors
1	Mr. Dhanpal Doshi
2	Mr. Ashok Yadav
3	Mr. Bhupendra Goliya
4	Mr. Vishvesh Yadav

Particulars of Shareholding:

The shareholding pattern of the company as on date of filing Draft Red Herring Prospectus:

Particulars	No. of Shares	% of Shareholding
Mr. Dhanpal Doshi	60000	60
Shri Ashok Yadav	2500	2.5
Smt. Sadhana Doshi	12000	12
Shri Gaurav Jain	1800	1.8
Shri Bhupendra Kumar Goliya	1600	1.6
Shri Shailendra Goliya	1600	1.6
Smt. Leena Rashnikar	100	0.1
Shri Vijay Rashnikar	100	0.1
Shri H.S. Goliya	10000	10
Shri Hemant Agrawal	10000	10
Smt. Ajaya Chandollikar	100	0.1
Shri Ramesh Agrawal	100	0.1
Shri Vimal Nahar	100	0.1
Total	100000	100.00

The Brief financials of the Company are given below:

(₹In Lacs)

Particulars for the year Ended	March 31, 2008	March 31, 2009	March 31, 2010
Total Income	28.67	27.44	27.33
Profit/ Loss After Tax	(1.67)	0.06	0.03
Equity Share Capital	10.00	10.00	10.00
Reserves & Surplus (Excluding Revaluation Reserves)	16.12	16.18	16.21
NAV	26.12	26.18	26.22
EPS	(1.67)	0.06	0.03

The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

There are no defaults in meeting any statutory/ bank/ institutional dues and no proceedings have been initiated for economic offences against the Company.

4. Surana Estate & Commodity Trading Private Limited

Date of Incorporation	March 12, 1997
CIN	U45203MP1997PTC011730
Registered Office	33, Shiv Vilas Palace, Rajwada, Indore – 452001 (M.P.)
Nature of Business	Commodity Trading and Real Estate activities

The Company was incorporated as Surana Estate Private Limited on March 12, 1997 under the Provisions of the Companies Act, 1956. The Name of the Company was subsequently changed to Surana Estate & Commodity Trading Private Limited on October 14, 2005.

Board of directors of SECTPL as on date of filing Draft Red Herring Prospectus

Sr.No.	Name of Directors
1	Parasmal Doshi
2	Dhanpal Doshi

Particulars of Shareholding:

The shareholding pattern of the company as on date of filing Draft Red Herring Prospectus:

Particulars	No. of Shares	% of Shareholding
Mr. Parasmal Doshi	197500	34.05
Mr. Dhanpal Doshi	311500	53.71
Master Nishit Doshi(Gardian-Dhanpal Doshi)	51000	8.79
Master Sarthak Doshi(Guardian)	20000	3.45
Total	580000	100.00

The Brief financials of the Company are given below:

(₹ In Lacs)

Particulars for the year Ended	March 31, 2008	March 31, 2009	March 31, 2010
Total Income	0.06	0.11	4.62
Profit/ Loss After Tax	0.02	0.01	2.38
Equity Share Capital	1.00	8.10	58.00
Reserves & Surplus (Excluding Revaluation Reserves)	0.08	0.09	2.48
NAV	10.82	10.12	10.45
EPS	0.17	0.01	0.43

The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

There are no defaults in meeting any statutory/ bank/ institutional dues and no proceedings have been initiated for economic offences against the Company.

5. Geetanjali Buildcon Private Limited

Date of Incorporation	March 01, 2006
CIN	U22122MP2006PTC018446
Registered Office	15, 4TH Floor, Dawa Bazar, R.N.T. Marg, Indore - 452 001 (M.P)
Nature of Business	Real Estate activities

The Company was incorporated as Geetanjali Publication Private Limited on March 01, 2006 under the Provisions of the Companies Act, 1956. The Name of the Company was subsequently changed to Geetanjali Buildcon Private Limited on March 13, 2008

Board of directors of GBPL as on date of filing Draft Red Herring Prospectus

Sr.No.	Name of Directors
1	Rajendra Bandi
2	Parasmal Doshi

Particulars of Shareholding:

The shareholding pattern of the company as on date of filing Draft Red Herring Prospectus:

Particulars	No. of Shares	% of Shareholding
Smt. Varsha Doshi	325000	72.22
Shri Rajendra Bandi	10000	2.22
Shri Paras Doshi	8500	1.89
Shri Dhanpal Doshi	58500	13
Smt. Sadhana Doshi	45000	10
Shri Sanjay Bhatia	3000	0.67
Total	450000	100

The Brief financials of the Company are given below:

(₹ In Lacs)

Particulars for the year Ended	March 31, 2008	March 31, 2009	March 31, 2010
Total Income	0.00	0.00	0.00
Profit/ Loss After Tax	(0.32)	(0.08)	(0.29)
Equity Share Capital	5.00	5.00	45.00
Reserves & Surplus (Excluding Revaluation Reserves)	0.00	0.00	0.00
NAV	10.00	10.00	10.00
EPS	(0.64)	(0.17)	(0.06)

The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 nor is under winding up.

There are no defaults in meeting any statutory/ bank/ institutional dues and no proceedings have been initiated for economic offences against the Company

DETAILS ABOUT COMPANIES/ FIRMS FROM WHICH PROMOTERS HAVE DISASSOCIATED DURING THE LAST THREE YEARS

Our Promoter Mr. Dhanpal S. Doshi has been disassociated from the under mentioned Company during the last 3 years:

Name of the Promoter	Name of the Company	Designation	Year Disassociation of	Reason
Mr. Dhanpal Doshi	M/s Surya Infraventure Pvt. Ltd. (Formerly – M/s ITS Infrastructures Pvt. Ltd.)	Director	July 2009	Resigned from the Board

Common Pursuits

There are no common pursuits in the business of the Company and other Companies promoted by the Promoters other than as described in the Draft Red Herring Prospectus.

Sales or Purchases between Companies in the Group

There have been no sales or purchases between companies in the Group exceeding in value in the aggregate 10% of the total sales or purchases of the Company, except those transactions mentioned under *Related Party Transactions*, “Annexure 14” beginning on page 146 under Chapter titled “Auditors’ Report and Financial Information of our Company” beginning on page 126 of the Draft Red Herring Prospectus.

Business Interests amongst our Company and Group Companies /Associate Companies

Except as mentioned under *Related Party Transactions*, “Annexure 14” beginning on page 146 under Chapter titled “Auditors’ Report and Financial Information of our Company” there is no business interest amongst Group Companies.

Changes in Accounting Policies in the last three years

Except as mentioned under the paragraph *Changes in Significant Accounting Policies*, “Annexure 4” beginning on page 134 under Chapter titled “Auditors’ Report and Financial Information of our Company” beginning on page 126 of the Draft Red Herring Prospectus, there have been no changes in the accounting policies in the last three years.

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

You should read the following discussion of our standalone financial condition and results of operations together with our financial statements and the reports thereon and annexures thereto, which have been restated in accordance with paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 and with the SEBI (ICDR) Regulations, 2009, and which are all included in this Draft Red Herring Prospectus. The financial statements are prepared in conformity with Indian GAAP and the Companies Act. Our financial year ends on March 31st of each year, so all references to a particular year are to the twelve month ended March 31st of that year.

Business Overview

For "Business Overview" please refer to page no. 82 of this Draft Red Herring Prospectus.

Material development after 31st December 2010 that may affect our futures results of operation

After 31st December, 2010 there have not been any significant material development which materially and adversely affect or likely to affect, the trading and profitability of the company or the value of our assets or our ability to pay material liabilities within the next 12 months.

Factors affecting our results of operation:

- 1. The growth of Capital Market in India**
- 2. Changes in Indian Economic and financial conditions**
- 3. Client relationship**
- 4. Our dependence on Key personnel and ability to recruit/ retain them**
- 5. Regulatory developments and authorities**
- 6. Ability to acquire new Customers**
- 7. Competition**
- 8. Changes in the value of rupee in relation to other currencies**
- 9. Technology**
- 10. Operating cost**
- 11. Changes in political and social conditions in India**

Revenue

Our total income comprises income from operations and other income. Income from operations comprise primarily of brokerage, trading and depository income.

Income from brokerage is through our execution of third party trades for equities and derivatives on the exchanges. The income from brokerage services is driven principally by the number of active clients and the volume of business done by them. Client growth has been a significant driver of revenue growth in our broking business.

Growth in total client numbers has been driven primarily by our increased geographical presence, and enhanced skilled and competent trade and execution teams aided by well structured research team.

We are a depository participant with CDSL and offer depository services to our retail broking clients as a value-added service. Depository income consists of annual maintenance fees in addition to transaction-based charges for transactions undertaken by depository clients.

Other income consists primarily of dividends, interest earned and profit on sale of investment.

Expenditure

Our Company's expenditure comprises of personnel expenses, operating and establishment expenses, interest and other financial charges

Personnel expenses include salaries, bonus and allowances, contribution to provident funds and staff welfare expenses. Personnel expenses are associated with compensating existing staff, as well as the recruitment and retention of staff during the period.

Operating and establishment expenses include transaction charges, stamp duty and miscellaneous and depository charges. These expenses pertain to the number and size of transactions carried out by us on behalf of our broking customers.

Interest and other financial charges principally include interest and other fees charged by banks. Interest is charged on our long term loan and overdraft facilities. Bank charges consist of commission charged by bank pertaining to bank guarantees obtained to meet our margin requirements with stock exchanges.

Depreciation

It includes depreciation on office premises, office equipments, air conditioners, furniture and fixtures, computers, computer software and motor cars and other depreciable assets.

Taxation

It includes current taxes, comprising of income tax, and deferred taxes. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax assets are recognized if there is a reasonable certainty that the assets will be realized in future.

Result of Operations

The following table sets forth select financial data from our restated profit and loss accounts for the nine month period ended December 31, 2010 and fiscal 2010, 2009 and, 2008 the components of which are also expressed as a percentage of total income for such periods. Our restated profit and loss account provided under the head "Financial Information" gives details about our sources of revenue for the company.

(₹ In Lacs)

Particulars	Nine months ended on December 31, 2010		For the year ended on 31st March					
			2010		2009		2008	
				% of Total Income		% of Total Income		% of Total Income
			₹		₹		₹	
Income								
Income from Operations	393.92	98.08%	473.68	93.71%	258.64	98.20%	374.71	99.38%
Other Income	7.7	1.92%	31.77	6.29%	4.73	1.80%	2.34	0.62%
Total Income	401.62	100%	505.45	100%	263.37	100%	377.05	100%
Expenditure								
Staff Cost	90.81	22.61%	115.03	22.76%	90.27	34.27%	93.11	24.69%
Operating expenses	51.2	12.75%	22.48	4.45%	24.49	9.30%	33.99	9.01%
Administrative	79.62	19.82%	98.58	19.50%	71.57	27.17%	145.92	38.70%

expenses								
Depreciation	9.330	2.32%	14.91	2.95%	17.36	6.59%	15.63	4.15%
Total Expenditure	231.09	57.54%	251.03	49.66%	203.72	77.35%	294.66	78.15%
Profit before tax	170.53	42.46%	254.41	50.33%	59.64	22.64%	82.41	21.86%
Income tax	55.96	14.05%	58.08	11.85%	6.01	2.20%	26.09	6.56%
Net profit after tax	114.57	28.53%	195.33	38.64%	53.63	20.36%	56.31	14.93%

Period ended December 31, 2010

Operating Income

Our operating income consists of brokerage, other charges and income from depository operations. Total operating income was ₹ 393.92 lacs representing 98.08 % of the total income.

Other Income

Our other income for the nine months ended December 2010 was ₹ 7.70 lacs which constituted 1.92 % of the total income.

Administrative Expenses

Our Administrative Expenses were ₹ 79.62 lacs for the nine months ended December 31, 2010, which constituted 19.82% of our total Income. It mainly consists of Rent expenses, Professional Fee, Bank Charges, Electricity, Maintenance, Interest and other Administrative Expenses.

Operating Expenses

The principal components of our operating expenses are stock exchange expenses, Lease line charges, VSAT maintenance and contribution to exchange funds and depository charges. These expenses pertain directly to the number and size of transactions carried out by our Company on behalf of its customers. The total operating expenses was Rs 51.20 lacs which constituted 12.75 % of total Income.

Depreciation

Our depreciation expenses were ₹ 9.33 lacs which constituted 2.32 % of total Income.

Taxation

Provision for taxation was ₹ 55.96 lacs which constituted 14.05 % of total income.

Net profit after extraordinary items

Net profit after extraordinary items, as restated was ₹ 114.57 lacs which is 28.53% of total income

Fiscal 2010 compared to Fiscal 2009

Operating Income

Our operating income increased by 83.14% from ₹ 258.64 lacs in the year 2009 to ₹ 473.68 lacs in the year 2010 because of recovery in the economic situation globally and good economic condition of India which boost overall trading volumes across the stock exchanges resulting into a rise in our operating income.

Other Income

Our other income increased by 571.67% from ₹ 4.73 lacs in the year 2009 to ₹ 31.77 lacs in the year 2010 due to Increase in bank interest amount on fixed deposit and less utilization of bank overdraft.

Staff Cost

Our staff cost increased by 24.76% from ₹ 90.27 lacs in the year 2009 to Rs 115.03 lacs in the year 2010 due to recruitment of additional staff on account of increase in volume of business and expansion of operations on new locations.

Operating and Administrative Expenses

Our operating expenses decreased marginally 8.21% from ₹ 24.49 lacs in the year 2009 to ₹ 22.48 lacs in the year 2010, whereas administrative expenses have increased by 37.74% from ₹ 71.57 lacs in the year 2009 to ₹ 98.58 lacs in the year 2010 mainly due to expansion of our operations on new locations.

Depreciation

Our depreciation expenses decreased by 14.11% from ₹ 17.36 lacs in the year 2009 to ₹ 14.91 lacs in the year 2010 primarily due to no major addition in fixed assets

Taxation

Our provision for taxation had increased by 934.37% from ₹ 5.79 lacs in the year 2009 to ₹ 59.89 lacs in the year 2010 primarily due to Higher profit by 326.57 % from ₹ 254.41 lacs in the year 2010 to Rs 59.64 lacs in the year 2009.

Net profit after extraordinary items

Net profit after extraordinary items, as restated increased by 264.22% from ₹ 53.63 lacs in the year 2009 to ₹ 195.33 lacs in the year 2010 due to growth of total income by 91.91% in the year 2010 compared to year 2009.

Fiscal 2009 compared to Fiscal 2008

Operating Income

During the fiscal year 2009 our operating income decreased by 30.98% from ₹ 374.71 lacs in the year 2008 to ₹ 258.64 lacs in the year 2009 due to global financial crisis which affected the overall trading volumes across the stock exchanges resulting into a fall in our operating income.

Other Income

In the Fiscal year 2009 our total other income increased by 102.14% from ₹ 2.34 lacs in the year 2008 to ₹ 4.73 lacs in the year 2009 due to less utilisation of bank overdraft limit in the year 2009 compared to 2008 and recovery of bad debts in the year 2009.

Staff Cost

Our staff cost decreased by 3.05 % from Rs 93.11 lacs in the year 2008 to Rs 90.27 lacs in the year 2009 due to global financial crisis which affected the overall trading volumes company reduce employee strength.

Operating and Administrative Expenses

Our operating expenses decreased by 27.95% from ₹ 33.99 lacs in the year 2008 to ₹ 24.49 lacs in the year 2009, whereas administrative expenses have decreased by 50.94% from ₹ 145.95 lacs in the year 2008 to ₹ 71.60 lacs in the year 2009. Our direct operating expenses such as payment to Business Associates, stock exchange expenses, SEBI turnover charges, depository charges etc. decreased in sync with our decrease in operating income by 30.15 % in the year 2009 from Rs 377.05 lacs to Rs 263.37 lacs in the year 2008.

Depreciation

Our depreciation expenses increased by 11.07% from ₹ 15.63 lacs in the year 2008 to ₹ 17.36 lacs in the year 2009.

Taxation

Our provision for taxation decreased by 89.72% from ₹ 24.72 lacs in the year 2008 to ₹ 5.79 lacs in the year 2009 primarily due to lower operating income.

Net profit after extraordinary items

Net profit after extraordinary items, as restated profit decreased by 4.76% from ₹ 56.31 lacs in the year 2008 to ₹ 53.63 lacs in the year 2009.

Financial Conditions, Liquidity and Capital Resources

The working capital requirement of our Company arises on account of the gap in realization of cheques from clients and amount to be paid to the exchanges towards pay in on the settlement dates. With growing business, this gap is widening and thereby creating a large requirement for working capital. In tandem with the growth in the financial markets, we expect that our Company's trading volumes to grow further, thus our requirement for working capital will increase.

Historically, we have been financing our capital requirements primarily through funds generated from our operations and from banks in the form of bank overdraft and discounting. We believe that we will have sufficient resources, from our operations and Issue Proceeds of this offering of equity shares, to meet our capital requirements for at least the next 12 months.

Cash Flow Statement

Particulars	(₹ In Lacs)			
	December 31, 2010	March 31, 2010	March 31, 2009	March 31, 2008
Net Cash from Operating Activities	(45.88)	88.54	31.07	377.07
Net Cash from Investing Activities	0.19	97.78	41.67	(296.15)
Net Cash from Financing Activities	(8.58)	0.09	36.27	102.25
Net Increase/(decrease) in Cash and Cash Equivalents	(54.26)	186.41	109.03	183.16

Net cash from operating activities

Our operating activities generated a negative cash flow of ₹ 45.88 lacs for the nine month period ended December 31, 2010, primarily because of increase in operating cash flow before working capital changes, amounting to ₹ 168.78 lacs. The adjustment for working capital and taxes absorbed ₹ 214.66 lacs.

There was a net operating cash flow of ₹ 88.54 lacs in the Fiscal 2010 primarily because of increase in operating cash flow before working capital changes, amounting to ₹ 145.94 lacs. The adjustment for working capital and taxes absorbed ₹ 57.40 lacs.

In Fiscal 2009 net operating cash flow generated was ₹ 31.07 lacs out of which operating cash flow before working capital changes was ₹ 31.20 lacs and adjustment for working capital and taxes absorbed ₹ 13 lacs.

In Fiscal 2008, net operating cash flow was ₹ 377.07 lacs of which operating cash flow before working capital changes was ₹ 100.32 lacs and adjustment from working capital and taxes released ₹ 276.75 lacs.

Net cash from investing activities

Our investing activities had generated a net cash flow of ₹ 0.19 lacs for the nine month ended December 31, 2010 primarily because of deposits given to exchanges of ₹ 29.40 lacs. Investments in fixed assets amounting to ₹ 5.85 lacs were purchased during the period while sale of investment, interest and dividend of ₹ 3.5 Lacs, ₹ 32.11 lacs and ₹ 0.18 Lacs respectively was received.

In Fiscal 2010 there was a net investment in fixed assets amounting to ₹ 11.11 lacs and purchase of investments (net) amounting to ₹ 17.01 lacs and profit on investment, interest and dividend of ₹ 88.47 lacs, ₹ 37.93 lacs and ₹ 2.22 Lacs respectively was received. The net cash flow from investing activities was ₹ 97.78 lacs.

In Fiscal 2009 there was a positive cash flow of ₹ 41.67 lacs primarily due to profit on sale of Investment of ₹ 44.34 lacs.

In Fiscal 2008 investing activities had absorbed net cash of ₹ 296.15 lacs primarily because of net purchase of fixed assets amounting to ₹ 190.41 lacs and deposits given to exchanges of ₹ 111.17 lacs.

Net cash from financing activities

Our financing activities generated negative cash flow of ₹ 8.58 lacs for the nine month ended December 31, 2010.

In Fiscal 2010 our financing activities had generated a net cash flow of ₹ 0.09 lacs.

In Fiscal 2009 our financing activities had generated a cash flow of ₹ 36.27 lacs, because of loan taken from bank of ₹ 45.03 lacs.

In Fiscal 2008 our financing activities generated net cash flow of ₹ 102.25 lacs comprising of loan obtained from banks amounting to ₹ 112.57 lacs.

Information required as per Schedule VIII (IX) Part A (IX) (E) (5) of the SEBI (ICDR)

1. Unusual or infrequent events or transactions

Except as described in DRHP, There have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have/ had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section “Risk Factors” beginning on page 13 in the Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues,

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by service providers.

5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in revenues are by and large linked to increases in volume of business.

6. Status of any publicly announced new products or business segment.

Our Company has not announced any new product and segment, other than through the Draft Red Herring Prospectus.

7. The extent to which business is seasonal.

Our Company’s business is not seasonal in nature.

8. Any significant dependence on a single or few suppliers or customers.

Our company’s operations are not dependent on a particular client or group of clients.

9. Competitive conditions.

Competitive conditions are as described under the *Chapters “Industry Overview” and “Business Overview” beginning on pages 69 and 82, respectively of the Draft Red Herring Prospectus.*

FINANCIAL INDEBTEDNESS

Fund based Limits

(₹ In Lacs)

Name of the Lenders	Nature of Borrowing	Amount Sanctioned	Amount Outstanding as of December 31, 2010	Interest in % p.a.	Tenure	Security
ICICI Bank Ltd.	Term Loan	110.00	12.51	12.75% (FRR)	60 months (five years). EMI of Rs 235073 payable monthly)	Mortgage of Immovable Property situated at Plot no. 29-A, Scheme no. 71, Sector-C, Indore
Madhya Pradesh Financial Corporation (M.P.F.C.)	Working Capital Loan	30.00	15.00	14.50%	Loan will be for period of five years repayable in 20 Quarterly Installments of Rs 1.50 lacs each)	<p>1. Hypothecation of all fixed assets, equipments etc. (existing and Future) situated at office no 14, 15 & 16, 4th floor, Dawa Bazar, R.N.T Marg, Indore</p> <p>2. First charge by way of English/Equitable mortgage of office no 14, 4th floor, Dawa Bazar, R.N.T Marg, Indore admeasuring 1108 Sq. Ft owned by Shri Dhanpal Doshi (H.U.F.)</p> <p>3. First charge by way of English/Equitable mortgage of office no 16, 4th floor, Dawa Bazar, R.N.T Marg, Indore admeasuring 1108 Sq. Ft owned by Shri Paras Doshi (H.U.F.)</p> <p>4. Personal guarantee of Dhanpal Doshi, Paras Doshi and Rajendra Bandi</p> <p>5. Assignment of key personnel life Policy of Shri Paras Doshi for Rs 100 lacs in favour of corporation</p>

Canara Bank	Valuable Security Loan	48.00	48.45	FD+2%	3 Year	Pledge of Fixed Deposits
Canara Bank	Valuable Security Loan	21.00	20.99	FD+2%	3 Year	Pledge of Fixed Deposits
Canara Bank	Valuable Security Loan	14.30	14.23	FD+2%	3 Year	Pledge of Fixed Deposits
Canara Bank	Valuable Security Loan	22.00	21.92	FD+2%	3 Year	Pledge of Fixed Deposits
Canara Bank	Overdraft against FDR's	52.00	51.09	FD+2%	Overdraft	Pledge of Fixed Deposits
Total			184.20			

Restrictive covenants as per sanction letters

As per sanction letter of Madhya Pradesh Financial Corporation dated 27th April, 2008 contain certain covenants requiring our company to take prior permission of our lenders and restrict us from taking certain actions.

During the subsistence of the loan the company may not without prior approval of the corporation

1. Agree to let our or give lease and license whole or any portion of land or building or plant and machinery to any one
2. Agree to lend funds to any one nor invest the same in purchase of shares of any other company
3. Not to effect any change / modification in the scheme , in the constitution nor transfer of management hereby
4. Not declare/ pay dividend to its shareholders (both Equity and preference)during any financial year unless it has paid the installments and interest due on the loan of the corporation
5. Shall not go for public issue without prior permission of the corporation.

Non Fund based Limits

Name of the Lenders	Nature of Borrowing	Amount Sanctioned (In ₹ Lacs)	Amount Outstanding as of December 31, 2010 (In ₹ Lacs)	Interest/ commission in % p.a.	Tenure	Security
Bank of India	Bank guarantee	190.00	NIL	Commission @ 1.54% +service tax +180		Personal guarantee Of Dhanpal Doshi and Paras Doshi

IndusInd Bank	Bank guarantee	300.00	NIL	1.25 % p.a +taxes applicable	12 months+3mont hs claim period	1. Municipal house no 119, bank Colony, Narendra Tiwari Mrag, Plot No 80. Indore admeasuring owned by Varsha Doshi. 2. Personal guarantee of Dhanpal Doshi, Paras Doshi, Varsha Doshi and Sadhna Doshi
IndusInd Bank	Drawal for pay in against Pay out (sub limit Drawing Cheques/DDund er clearing of Rs 50 lacs)	100.00	NIL	BPLR when bank is oit of funds.nil for intraday	1 year	Personal guarantee of Dhanpal Doshi, Paras Doshi, Varsha Doshi and Sadhna Doshi

Restrictive covenants as per sanction letters

As per sanction letter of IndusInd Bank dated 2nd June, 2009 contain certain covenants requiring our company to take prior permission of our lenders and restrict us from taking certain actions.

- A. During the subsistence of the loan the company shall not without prior approval of the corporation
1. Effect any changes in company's capital structure
 2. Formulate any scheme of amalgamation or merger or reconstruction
 3. Invest by way of share capital in or lent or advance funds to or place deposits with any other company /firm/ concern (including group companies / associates) /persons.
 4. Enter in to any borrowing either secured or unsecured with any other bank, financial institution
 5. Undertake guarantee obligations on behalf of any other company/firm /person
 6. Declare dividend for any year except out of profits relating to that year
 7. Make any drastic changes in its management set up
 8. In case of invocation of BG, the entire amount shall be payable immediately and would attract interest at Bank's PLR+5% + 2% presently 23.75%.

SECTION VI – LEGAL AND OTHER REGULATORY INFORMATION

Outstanding Litigations, Material Developments And Other Disclosures

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions or proceedings against our Company, our Directors, our Promoters and Entities Promoted by our Promoters before any judicial, quasi-judicial, arbitral or administrative tribunals or any disputes, tax liabilities, non payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/civil/ any other offences (including past cases where penalties may or may not have been imposed and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoters and the Entities Promoted by our Promoters, except the following:

Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoters, directors, Promoter Group companies and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Neither our Company nor its Promoters, members of the Promoter Group, Subsidiaries, associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them or pending against them.

This chapter has been divided into five parts:

- I. Litigations involving our Company
- II. Litigations involving our Directors and Promoters
- III. Litigation involving our Promoter Group / Group Companies
- IV. Penalties imposed in past cases for the last five years
 - a) Our Company
 - b) Our Directors and Promoters
 - c) Our Promoter Group Entities
- V. Amounts owed to small scale undertakings

1. Under Criminal Laws

- (a) Cases filed by the company

Sr. No.	Case No.	Institution date	Parties Involved	Authority	Subject Matter & Relief sought	Amount Involved (₹)	Present Status
1.	1144/2002	1996	Mr. Sanjay Khemani	Judicial Judge, first class, Ujjain	Dishonor of Cheque	214500	Pending
2.	16452/2006	19/04/2006	Mr. Rakesh Sinha & Mr. Neeraj Varma	Judicial Magistrate, first class, Indore	Dishonor of Cheque	50000	Pending
3.	41051/2006	15/05/2006	Mr. Sanjay Porwal	Judicial Magistrate, first class, Indore	Dishonor of Cheque	42000	Pending
4.	35386/2007	25/08/2006	Mr. Sachin Kumar Shivarmani	Judicial Magistrate,	Dishonor of Cheque	40000	Pending

				first class, Indore			
5.	16136/ 2008	03/07/200 8	Mr. Prashant Das Mahapatra	Judicial Magistrate, first class, Indore	Dishonor of Cheque	579263	Pending
6.	16137/ 2008	02/07/200 8	Mr. Vishvnath Giri	Judicial Magistrate, first class, Indore	Dishonor of Cheque	31659.21	Pending
7.	713/20 10	08/12/200 9	Smt. Gurpreet Kaur Sandhu	Judicial Magistrate, first class, Indore	Dishonor of Cheque	55000	Pending

- (b) Cases filed against the Company: **NIL**
(c) Cases filed by the Directors/ Promoters: **NIL**
(d) Cases filed against Directors/Promoters: **NIL**
(e) Cases filed by the Group Companies:

1. Indo Thai Commodities Pvt. Ltd.

Sr. No.	Case No.	Institution Date	Parties Involved	Court Name	Subject Matter & Relief sought	Amount Involved (₹)	Present Status
1.	23668/ 2006	20/05/2006	Mr. Manish Mungad	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	150000	Pending
2.	50986/ 2006	13/12/2006	Mr. Rajesh Bagrecha	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	85000	Pending
3.	11820/ 2007	30/03/2007	Mr. Rajesh Bagrecha	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	100000	Pending
4.	11821/ 2007	30/03/2007	Mr. Rajesh Bagrecha	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	100000	Pending
5.	20690/ 2007	11/07/2007	Mr. Chandrashekar Agrawal	In Before of honorable Judicial Magistrate, first class,	Dishonor of Cheque	14530	Pending

				Indore (M.P.)			
6.	21691/ 2007	11/07/2007	Mr. Mohandas Vaishnav	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	25000	Pending
7.	28377/ 2007	08/08/2007	Smt. Sandhya Mishra	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	400000	Pending
8.	32001/ 2007	05/09/2007	Smt. Sandhya Mishra	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	180000	Pending
9.	33894/ 2007	26/09/2007	Shri Avinash Jain	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	50000	Pending
10.	31464/ 2008	05/12/2008	M/s Arihant Commodities (Prop. Santosh Kocheta)	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	422635	Pending
11.	25257/ 2009	07/10/2009	M/s Virani Commodity (Prop. Sujanmal Virani)	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	13687	Pending
12.	2682/ 2010	08/12/2009	Shri Lalit Kumar Nahar	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	8073	Pending
13.	2683/ 2010	08/12/2009	Shri Pankaj Jain	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	50000	Pending
14.	8542/ 2010	21/04/2010	Shri Vedant Rajendra Jain	In Before of honorable Judicial Magistrate,	Dishonor of Cheque	39018	Pending

				first class, Indore (M.P.)			
15.	11305/ 2010	12/05/2010	Shri Manoj Jain	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	50828	Pending
16.	18460/ 2010	05/08/2010	Shri Mohit Mahajan	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	20000	Pending
17.	20702/ 2010	12/08/2010	Mr. Jitendra Sharma	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	23869	Pending
18.	22173/ 2010	10/09/2010	Smt. Preeti Pawan Raka	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	42137	Pending
19.	1827/ 11	13/01/2011	Mr. Dharmendra Tiwari	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishono of Cheque	20000	Pending
20.	1828/ 11	13/01/2011	Mr. Ravendra kumar Dubey	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	25000	Pending
21.	2594/ 11	12/02/2011	Mr. Dilip Kothari	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	117383	Pending
22.	2593/ 11	12/02/2011	Mr. Pradeep Narayan Tiwari	In Before of honorable Judicial Magistrate, first class, Indore (M.P.)	Dishonor of Cheque	38462	Pending

(f) Cases filed against the Group Companies: **NIL**

2. Under Tax Laws

- (a) Cases filed by the Company: **NIL**
- (b) Cases filed against Company: **NIL**
- (c) Cases filed by the Directors/ Promoters: **NIL**
- (d) Cases filed against the Directors/ Promoters: **NIL**
- (e) Cases filed by the Group Companies: **NIL**
- (f) Cases filed against the Group Companies: **NIL**

3. Under Civil Laws

- (a) Cases filed by the Company:

Sr. No.	Case No.	Institution date	Parties	Authority	Subject Matter & Relief sought	Amount Involved (₹)	Present Status
1.	20B/2010	28/04/2010	M/s Indo Thai Securities Ltd. Vs. Mr. Ashok Agrawal	In Before of honorable XVIII Civil Judge, second class, Indore	Recovery of Dues & Interest amount	18966.42	Pending
2.	189/2010	20/09/2010	M/s Indo Thai Securities Ltd. Vs. Smt. Lalita Somani	In Before of honorable Add. District & Session Judge, Indore	Recovery of Dues from the client	247000	Pending

- (b) Cases filed against Company: **NIL**
- (c) Cases filed by the Directors/ Promoters: **NIL**
- (d) Cases filed against the Directors/ Promoters:

Civil Misc. Writ Petition No. 61855 of 2009

The State Bank of Indore (Now State Bank of India) Y.N. Road Branch, Indore had field an application before the DRT (Debt Recovery Tribunal), Jabalpur for recovery of its dues from Rajkumar Mills Ltd. and its guarantors Shri C.B.J. Seth and two others; and in terms of order of DRT and later on of DRAT, Allahabad SBI auctioned the Plot No at 32 Gulmohar Colony, Indore and the same was duly purchased by Shri Dhanpal Doshi for valuable consideration. The said orders of DRAT Jabalpur are challenged by Shri C.B.J. Seth and two others through writ petition no. 61855 of 2009 before the Hon'ble High Court, Allahabad and Shri Dhanpal Doshi being Auction Purchaser has also been impleaded as respondent in the auctioned document.

The Brief facts of the case are:

- Appellant no. 2 G.B.J. Seth availed the financial assistance from the Respondent no. 1 State bank of Indore (Now State Bank of India).

The appellant had created the equitable mortgage in respect of their immovable properties for securing the cash credit limit of ₹ 80.00 lacs and demand loan of ₹ 40.00 lacs.

- The Respondent bank auctioned the property of Rajkumar Mills Ltd. and Shri G.B.J. Seth and two others for recovery of dues.
- Our Director Mr. Dhanpal Doshi purchased the property in auction process for a consideration of ₹ 1.20 crores.

- Rajkumar Mills Ltd. and Shri G.B.J. Seth objected that recovery of the debts by State Bank of Indore were improper.
- Then Shri G.B.J. Seth and others are challenged the orders of DRAT, Jabalpur and filed a Writ petition at the Allahabad High Court for granting stay at the proceedings of the auction alleging that the recoveries of debts were improper by the Bank.

(e) Cases filed by the Group Companies: Indo Thai Commodities Pvt. Ltd.

Sr. No.	Case No.	Institution date	Parties	Court Name	Subject Matter & Relief sought	Amount Involved (₹)	Present Status
1.	31B/2010	29/04/2010	Shri Neeraj Kedia	In Before of honorable VIII Add. District & Session judge, Indore (M.P.)	Recovery of Dues from Client	95843.88	Pending
2.	34B/2010	06/05/2010	M/s Manglam Traders (Prop. Abhishek Agrawal)	In Before of honorable VIII Add. District & Session judge, Indore (M.P.)	Recovery of Dues from Client	186348.44	Pending

Writ Petition No. 8439 of 2010

State Bank of India has filled a case in the First Upper District Magistrate Court, Khargaoan against Mr. Papendra Nayak for grating decree against respondents for making fraud of ₹ 28,11,000/- and for recovery of ₹ 28,11,000/- with Interest thereon. Mr. Papendra Naik who was the Branch Manager of Khargaoan Branch had opened a dummy account in the name of Mr. Akhilesh Verma and fraudulently withdrawn ₹ 28,11,000/- from the account of DFO & CEO and transferred it to the account of Mr Akhilesh Verma. From this account Mr. Papendra Nayak had transferred ₹ 3,25,000/- in the account of Ajay Ravishankar Nayak and made two demand drafts from the said account for total of ₹ 3,00,000/- in favour of M/s Indo Thai Commodity Exchange Limited (Now known as Indo Thai Commodities Private Limited). The bank had made Indo Thai Commodity Exchange Private Limited the party on account of transfer of funds from the fraudulent account. In against of such case Company has filed Writ Petition before High Court of Madhya Pradesh.

(f) Cases filed against the Group Companies

Civil Case No. 2 –B / 2009 in First Additional District Judge, Khargaoan, Madhya Pradesh

State Bank of India has filled a case in the First Upper District Magistrate Court, Khargaoan against Mr. Papendra Nayak for grating decree against respondents for making fraud of ₹ 28,11,000/- and for recovery of ₹ 28,11,000/- with Interest thereon. Mr. Papendra Naik who was the Branch Manager of Khargaoan Branch had opened a dummy account in the name of Mr. Akhilesh Verma and fraudulently withdrawn ₹ 28,11,000/- from the account of DFO & CEO and transferred it to the account of Mr Akhilesh Verma. From this account Mr. Papendra Nayak had transferred ₹ 3,25,000/- in the account of Ajay Ravishankar Nayak and made two demand drafts from the said account for total of ₹ 3,00,000/- in favour of M/s Indo Thai Commodity Exchange Limited (Now known as Indo Thai Commodities Private Limited). The bank had made Indo Thai Commodity Exchange Private Limited the party on account of transfer of funds from the fraudulent account.

4. Under Labour Laws

- (a) Cases filed by the Company: **NIL**
- (b) Cases filed against the Company: **NIL**
- (c) Cases filed by the Directors/ Promoters: **NIL**
- (d) Cases filed against the Directors/ Promoters: **NIL**
- (e) Cases filed by the Group Companies: **NIL**
- (f) Cases filed against the Group Companies: **NIL**

5. Under various statutory Laws

- (a) Cases filed by the Company: **NIL**
- (b) Cases filed against the Company: **NIL**
- (c) Cases filed by the Directors/ Promoters: **NIL**
- (d) Cases filed against the Directors/ Promoters: **NIL**
- (e) Cases filed by the Group Companies: **NIL**
- (f) Cases filed against the Group Companies: **NIL**

6. Penalties Levied under various Laws:

- (a) Penalties levied on **Indo Thai Securities Limited** under **Article 51- A of the Bombay Stamp Act, 1958:**

Sr .	Case no.	F.Y.	Parties	Stamp duty payable	Penalty on delay in payment of duty (₹)	Amount deposited
1.	ADJ/1703/08	2006-07	Office Collector of Stamps	₹ 136354/-	₹ 67652/-	₹ 139129/-
2.	ADJ/37/09	2007-08	Office Collector of Stamps	₹ 239850/-	₹ 71888/-	₹ 239831/-
3.	ADJ/441/09	2008-09	Office Collector of Stamps	₹ 90078/-	₹ 16992/-	₹ 90078/-

Penalties Levied under various Laws for last Five years:

Sr.	Party	Particulars	Total Imposed (₹)	Penalty	Final Paid (₹)
1.	National Stock Exchange of India Ltd.	Letter No.: NSE/INSP/2005-06/SC/27198-U Dtd. 08.08.2006	25300		25300
2.	National Stock Exchange of India Ltd.	NSE/INSP/ICMA-21/CMRE0809/ACT/07767 Dtd. 01.09.2008	10000		58600 (After Settlement)
		NSE/INSP/ICMA-21/FOREG0809/ACT/07767 Dtd. 01.09.2008	68600		
3.	National Stock Exchange of India Ltd.	NSE/INSP/ICMA-51/CMFO/REG/ 2009-10/ACT/07767 Dtd. 02.08.2010	60000		60000

4.	MCX Stock Exchange Limited	MCX-SX/INSP/2009-10/2010/3494 Dtd. 29.04.2010	10000	10000
5.	Central Depository Services (India) Limited	CDSL/A&I/HUZ/PEN-DAC/2008-09/10 Dtd. 17.02.2009 CDSL/A&I/AVV/PEN-WAV-DAC/2009-10/195 Dtd. 06.08.2009	372250	26000 (After Settlement)

(b) Penalties levied on our Group Company: **Indo Thai Commodities Pvt. Ltd.**

Sr.	Party	Particulars	Total Penalty Imposed (₹)	Final Penalty Paid (₹)	Reason for penalty
1.	Multi Commodity exchange of India	MCX/Comp/PSS/SM/385/09-10 Date: 04.05.2009	16100	16100	Non compliance during Inspection of books of accounts for April 1, 2008 to October 15, 2008.
2.	Multi Commodity exchange of India	MCX/Comp-Insp/PSS/PM/71/09 Date: 14.01.2009	15100	15100	Non compliance during Inspection of books of accounts for 2006-07
3.	Multi Commodity exchange of India	MCX/Comp-Insp/AR/SK/113/08 Date: 04.02.2008	33500	33500	Non compliance during Inspection of books of accounts for 2005-06

G. Amount Owed to Small Scale Undertakings

The name of Small Scale Undertakings and Other Creditors to whom our Company owes a sum exceeding ₹ 1 Lac which is outstanding more than 30 days, as on March 31, 2010 is: **NIL**

Material developments occurring after the last Balance Sheet Date

There have been no material developments as regards litigation after the date of the last balance sheet

Adverse Events

There has been no adverse event affecting the operations of our Company, occurring within one year prior to the date of filing of the Draft Red Herring Prospectus with the Registrar of Companies.

GOVERNMENT APPROVALS/ LICENSING ARRANGEMENTS

Investment Approvals (FIPB/RBI, etc.)

As per Notification No. FEMA 20/2000-RB dated May 3, 2000, as amended from time to time, under automatic route of Reserve Bank, the Company is not required to make an application for issue of equity shares to NRIs/FIIs with repatriation benefits. However, the allotment/transfer of the Equity Shares to NRIs/FIIs shall be subject to prevailing RBI Guidelines.

All Government and Other Approvals

The Company has received all the necessary licenses, permissions and approvals from the Central and State Government and other government agencies/certification bodies required for the business and except as mentioned below, no further approvals are required by the Company for carrying on the present as well as proposed business activities of the Company. It must, however, be distinct understood that in granting the above approvals, the Central Government, State Government, RBI and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, the Company can undertake the current as well as proposed business activities and other than as mentioned below, no further major approvals from any statutory authority are required to continue those activities.

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

Company Incorporation

1. Certificate of Incorporation dated January 19, 1995 form the Registrar of Companies, Madhya Pradesh, Gwalior.
2. Certificate of Commencement of Business dated February 08, 1995 form the Registrar of Companies, Madhya Pradesh, Gwalior.

Approvals for the Issue

1. The fresh issue of 40,00,000 equity shares in terms of this Draft Red Herring Prospectus has been authorised by a resolution of our Board dated July 23rd, 2010 and by a special resolution passed pursuant to Section 81(1A) of the Companies Act, 1956 at the AGM by the shareholders of our Company held on 20th August, 2010.
2. In- Principle approval from the NSE dated [•].
3. In- Principle approval from the NSE dated [•].

Approvals for the Company's Business

1. Permanent Account No. (PAN) of the Company issued by Income Tax Department: AAACI4380E.
2. Tax Deduction Account No. (TAN) issued by Income Tax Department: BPLI00239B.
3. Certificate of Registration dated 18/04/2007 issued by Assistant Commissioner, Customs & Central Excise Division - Indore, under section 69 of the Finance Act, 1994. The Company was granted Service Tax code AAACI4380EST001.

4. Professional Tax Certificate of Registration No.78230902535 dated 14/06/2005 from Commercial Tax & Professional Tax Officer.
5. Allotment of PF code No. MP/IN/12585 dated 15/05/2000 by the Employees Provident Fund Organisation (Ministry of Labour) under the Employees Provident Fund & Miscellaneous Provisions Act, 1952.
6. Certificate of Registration (No. 9177/IND/CE/2011) dated 18/03/2011 is issued by the Registering Authority under Madhya Pradesh Shops & Establishment Act, 1958. The Certificate is granted in respect of 16th Fourth Floor, Dawa Bazar, R.N.T. Marg- Indore as a "Commercial Establishment". The Registration is valid till December 31, 2015.
7. Certificate of Registration (MP-18-13613-1018) dated 01/February/2002 is issued by the Regional Director, Regional Office of Employees State Corporation, Indore -Madhya Pradesh.

Licenses/ Approvals Obtained:

Sr. No	Description	Approving Authority	Reference/ Licenses No.	Issue Date	Expiry Date	Certifying Authorities
1.	Trade License (2010-2011)	Nagar Palika Nigam, Indore	28999/072010/15693	April 01, 2011	March 31, 2012	Nagar Palika Nigam, Indore
2.	Certificate of Registration (Securities – Capital Market Segment)	Securities and Exchange Board of India	INB230776739	September 14, 1995	Till suspended or cancelled	NSE
3.	Certificate of Registration (Derivatives – Future & Option Segment)	Securities and Exchange Board of India	INF230776739	June 8, 2000	Till suspended or cancelled	NSE
4.	Certificate of Registration (Participant)	Securities and Exchange Board of India	IN-DP-CDSL-412-2007	July 5, 2007	July 4, 2012	CDSL
5.	Certificate of Registration (Stock Broker - Capital Market Segment)	Securities and Exchange Board of India	INB010776731	April 23, 2008	Till suspended or cancelled	BSE
6.	Certificate of Registration (Derivatives – Currency Derivatives Segment)	Securities and Exchange Board of India	INE230776739	August 26, 2008	Till suspended or cancelled	NSE
7.	Certificate of Registration (Derivatives - Currency Derivatives Segment)	Securities and Exchange Board of India	INE260776739	September 29, 2008	Till suspended or cancelled	MCX - SX

8.	Certificate of Registration (Mutual Fund)	Association of Mutual Funds in India (AMFI)	ARN-35443	February 13, 2006	Till suspended or cancelled	ANMI
9.	Certificate of Registration (Derivatives - Future & Option Segment)	Securities and Exchange Board of India	INF010776731	September 22, 2010	Till suspended or cancelled	BSE
10	Certificate of Registration (Derivatives - Currency Derivatives Segment)	Securities and Exchange Board of India	INE270776730	September 22, 2010	Till suspended or cancelled	USE

Trade Marks

Indo Thai Securities Limited has made an Application (No. 2037576) dated October 14, 2010 to the Trade Mark Registry, Mumbai under Trade Marks Act, 1999 for Registration of Trademark 'INDO THAI - Trade with Confidence' in respect of "Service Providers & Merchants" included in class 36. This application is pending.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The fresh issue of 40,00,000 equity shares in terms of this Draft Red Herring Prospectus has been authorised by a resolution of our Board dated 23rd July, 2010 and by a special resolution passed pursuant to Section 81(1A) of the Companies Act, 1956 at the AGM by the shareholders of our Company held on 20th August, 2010.

Prohibition by SEBI and RBI

Our Company, our Directors, our Promoters, the group companies, companies promoted by or Promoters and companies or entities with which our Company's Directors are associated as directors / Promoters / partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. The listing of any securities of our Company has never been refused at anytime by any of the Stock Exchanges in India.

Our Company, our Promoters, their relatives, group companies and associate companies has, not been detained as willful defaulters by RBI/government authorities and there are no violations of securities laws committed by them in the past or pending against them.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations as explained under, with the eligibility criteria calculated in accordance with Restated Financial Statements:

- The Company has net tangible assets of at least Rs 3 Crores in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets;
- The Company has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least (3) out of immediately preceding five (5) years;
- The Company has a net worth of at least ₹ 1 Crores in each of the preceding three (3) full years (of 12 months each);
- The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size does not exceed five (5) times its pre-issue net worth as per the last available audited accounts.

The pre-issue net worth, distributable profits and net tangible assets in terms of section 205 of the Companies Act, of the Company for the last 5 completed years are as under:

(₹ In Lacs)

For the Financial year Ending	December 31 st 2010	March 31 st 2010	March 31 st 2009	March 31 st 2008	March 31 st 2007	March 31 st 2006
Net Tangible Assets	794.33	678.78	481.06	423.27	375.80	359.56
Monetary Assets	35.39	187.87	46.41	272.16	83.50	35.28
% of Monetary Assets to Net Tangible Assets	4.46 %	27.68 %	9.65 %	64.30 %	22.22 %	9.81 %
Distributable Profits	114.57	195.33	53.63	56.31	17.92	21.44
Net worth	797.92	683.22	487.86	434.18	377.84	359.90

Calculation of Monetary Assets

For the Financial year Ending	December 31 st 2010	March 31 st 2010	March 31 st 2009	March 31 st 2008	March 31 st 2007	March 31 st 2006
Cash and Bank Balance	619.18	673.43	487.02	377.99	194.83	157.23
Less: FDR's Pledge with Bank/ exchange for the purpose of business	583.79	485.56	440.61	105.83	111.33	121.95
Monetary assets	35.39	187.87	46.41	272.16	83.50	35.28

The proposed issue size would not exceed five times the pre-issue Tangible net worth as on March 31, 2010 which is ₹ 683.22 Lacs. Based on the above data we hereby certified that the Company is fulfilling the criteria of eligibility norms for Public Issue by unlisted company as specified in the regulation 26(1) of SEBI (ICDR) Regulations, 2009 and amendments thereof.

Monetary Assets represents Cash and Bank Balance Less FDR's pledge with banks/exchange for the purpose of business.

Net tangible assets shall mean the sum of all net assets of the company, excluding intangible assets, as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

Further, in accordance with Regulation 26 (4) of the SEBI ICDR Regulations, we undertake that the number of allottees, i.e., persons receiving allotment in the Issue shall be at least 1,000; otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI.

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, CORPORATE STRATEGIC ALLIANZ LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, CORPORATE STRATEGIC ALLIANZ LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED 25th APRIL, 2011 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

WE THE UNDER NOTED LEAD MERCHANT BANKER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS/LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - a. THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS / LETTER OF OFFER FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - b. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - c. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS / LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS / LETTER OF OFFER ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID;**
- 4. WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. –NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOATRD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATION 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS**

TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS.

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATIONS 32 AND CLAUSE (c) AND (d) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATION 2009 SHALL BE COMPIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT ALL PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION 3 OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS/LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY WILL CONTAIN THIS CONDITION. – NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS / DRAFT LETTER OF OFFER THAT THE INVESTOR SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE AS THE ISSUE SIZE IS MORE THAN ₹ 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY. NOT APPLICABLE
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS / DRAFT PROSPECTUS/ DRAFT LETTER OF OFFER:
 - a. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
 - b. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE ,ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS/ DRAFT PROSPECTUS/ DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.”

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE ARE BEING COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, GWALIOR IN TERMS OF 60B OF THE COMPANIES ACT. ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, GWALIOR IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.

Disclaimer from the Issuer and the Book Running Lead Manager

Investors may note that Indo Thai Securities Limited and Corporate Strategic Allianz Limited accept no responsibility for statements made otherwise than in the Draft Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of the Issuer and that any one, placing reliance on any other source of information would be doing so at his own risk.

All information will be made available by the Book Running Lead Manager, Underwriters, Syndicate members and our Company to the public and investors at large and no selective or additional information would be available for any section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc. We shall not be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

The BRLM accepts no responsibility; save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLM and our Company and the Underwriting Agreement to be entered into between the Underwriters and our Company.

Caution

Neither our Company nor the Book Running Lead Manager or any other member of the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The BRLM and its associates and affiliates may engage in transactions with, and perform services for, our Company and Promoter Group Entities, affiliates or associates of our Company in the ordinary course of business and have engaged, and may in future engage, in the provision of financial services for which they have received, and may in future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares) and to NRIs, FIIs and Foreign Venture Capital Funds Registered with SEBI. The Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus was submitted to SEBI for its observations and SEBI has given its observation. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the 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 the 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 since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the Bombay Stock Exchange Limited

Bombay Stock Exchange Limited ("the Exchange") has *vide* its letter dated [•], given permission to this Company to use the Exchange's name in this offer document as one of the Stock Exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

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

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

Disclaimer Clause of National Stock Exchange of India Limited

As required, a copy of this offer document has been submitted to the National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given *vide* its letter dated [●] permission to the Issuer to use the Exchange's name in this offer document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The NSE has scrutinized the Draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or

construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. A copy of the Red Herring Prospectus along with the documents required to be filed under section 60B of the Companies Act would be delivered for registration to the Registrar of Companies,3rd Floor, 'A' Block, Sanjay Complex, Jayendra Ganj,Gwalior.The final Prospectus would be filed with the SEBI and ROC at the respective aforesaid addresses upon closure of the issue and on finalization of the issue price.

Listing

Applications have been made to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited for permission to deal in and for an official quotation of our Equity Shares. Our existing Equity Shares are not listed on any Stock Exchanges in India.

BSE shall be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB, Non Institutional and Retail portion.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, we shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within eight days after we become liable to repay it, i.e., from the date of refusal or within 70 days from the date of Bid/ Issue Closing Date, whichever is earlier, then we and all our directors jointly and severally shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

We shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE and NSE are taken within seven working days of finalization of Basis of Allotment for the Issue.

Consents

Necessary Consents for the issue have been obtained from the following:

1. Directors of our Company
2. Bankers to our Company
3. Auditors to our Company
4. Book Running Lead Managers to the Issue
5. Legal Advisor to the Issue
6. Registrar to the Issue
7. IPO Grading Agency
8. Company Secretary cum Compliance Officer
9. Syndicate Member(s)
10. Underwriter(s)
11. Escrow Collection Banker(s) to the Issue

The said consents would be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, Gwalior at Madhya Pradesh & Chattisgarh, as required under Sections 60 and 60B of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus, for registration with the Registrar of Companies, Gwalior at Madhya Pradesh & Chattisgarh.

Expert Opinion

Except as stated otherwise in the Draft Red Herring Prospectus, we have not obtained any expert opinion.

Public Issue Expenses

The total expenses of the Issue are estimated at approximately ₹ [•] Lacs. The expenses of this Issue include Lead Manager Fees, Registrar Fees, Legal Advisors Fees, Auditors Fees, Underwriting Fees, Printing and Stationery Fees, Advertising Fees, IPO Grading Fees and Listing Fess. All expenses with respect to the Issue would be paid by our Company. The estimated Issue expenses are as follows:

Sr. No	Activity	Amount	Percentage of Issue Expenses	Percentage of Issue Size
1	Fees to Book Running Lead Manager to the Issue	[•]	[•]	[•]
2	Fees to the Registrar to the Issue	[•]	[•]	[•]
3	Fees to the Legal Advisors to the Issue	[•]	[•]	[•]
4	Fees to the Auditors	[•]	[•]	[•]
5	Underwriting and Selling Commission	[•]	[•]	[•]
6	Printing and Stationery	[•]	[•]	[•]
7	Advertising Expenses	[•]	[•]	[•]
8	IPO Grading Expenses	[•]	[•]	[•]
9	Other Expenses (including filing fees, listing fees, depository charges etc)	[•]	[•]	[•]
10	Contingencies	[•]	[•]	[•]
	TOTAL	[•]	[•]	[•]

Previous Public or Rights Issues in the last 5 years

Our Company has not made any public or rights issue of Equity Shares/Debentures in the last 5 years.

Previous Issue of Shares otherwise than for Cash

Our Company has not issued any Equity Shares for consideration other than cash except as mentioned in the Chapter titled “Capital Structure” beginning on page 41 of the Draft Red Herring Prospectus.

Commission or Brokerage on Previous Issues

Since this is the initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since its inception.

Details of capital issue made during last three years in regard to the issuer company and other listed companies under the same management within the meaning of section 370(1)(B) of the Companies Act, 1956.

There have been no capital issues during last 3 years by us. There are no other listed companies under the same management within the meaning of Sec 370(1)(B) of the Act at present or during the last three years.

Promise vis-à-vis Performance – Last 3 issues

Our Company has not made any Public Issue in the past.

Listed ventures of Promoters

There are no listed ventures of our Promoters.

Promise vis-à-vis Performance – Last One Issue of Group Companies

There are no listed ventures of our Promoters.

Outstanding debentures or bonds and redeemable preference shares and other instruments issued and outstanding as on the date of the Draft Red Herring Prospectus and terms of Issue

There are no outstanding debentures or bonds or redeemable preference shares and other instruments outstanding as on the date of filing of the Draft Red Herring Prospectus.

Stock Market Data

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for redressal of Investors' grievance

Our Company has constituted a Shareholders Grievance Committee to look into the redressal of shareholder/ investor complaints such as Issue of duplicate/split/consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/transmission of shares and debentures, complaints for non receipt of dividends etc. *For further details on this committee, please refer paragraph titled "Shareholders/Investors Grievance Committee" beginning on page 112 under the Chapter titled "Our Management" beginning on page 103 of the Draft Red Herring Prospectus.* To expedite the process of share transfer, our Company has appointed Sharepro Services (India) Private Limited as the Registrar and Share Transfer Agents of our Company.

All grievances relating to the ASBA process may be addressed to the Registrar with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the ASBA Form was submitted by the ASBA Bidders.

Disposal of Investors' Grievances and Redressal Mechanism

We have appointed Sharepro Services (India) Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with our Compliance officer. All grievances relating to the present issue may be addressed to the Registrar with a copy to the Compliance officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and bank and Branch. We will monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

A fortnightly status report of the complaints received and redressed by the Registrar to the Issue would be forwarded to us. We would also coordinate with the Registrar to the Issue in attending to the investors' grievances.

We assure that any complaints received, shall be disposed off as per the following schedule:

Sr. No	Nature of Compliant	Time Taken
1.	Non – receipt of the refund	Within 7 days of receipt, subject to production of satisfactory evidence.
2.	Change of Address	Within 7 days of receipt of information
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of compliant with all relevant details

We have appointed Mr. Anurag Kumar Saxena as the Compliance Officer who would directly liaise with SEBI with respect to implementation/compliance of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints. The investors may contact the compliance officer in case of any pre issue/post issue related problems at the following address:

Mr. Anurag Kumar Saxena
INDO THAI SECURITIES LIMITED
 16, 4 th Floor, Dawa Bazar, R.N.T. Marg,
 Indore (M.P.) - 452001
 India
Tel. No. + 91 -731- 4255813
Fax No. + 91 -731- 2705423
Website: www.indothai.co.in
Email: ipo@indothai.co.in

Our Company has not received any investor complaints during the three years preceding the filing of the Draft Red Herring Prospectus with SEBI. Further, no investor complaints are pending as on the date of filing the Draft Red Herring Prospectus with SEBI.

Change in Auditors

M/s. S. Ramanand Aiyar & Co., Chartered Accountants are The Statutory Auditor of the Company w.e.f 17.01.2011. Prior to them M/s. N. K. Sahu & Company, Chartered Accountants were the Statutory Auditors of the Company and resigned due to their Pre- Commitments.

Capitalization of Reserves or Profits during last five years

Except as stated in the Chapter titled "Capital Structure" beginning on page 41 of the Draft Red Herring Prospectus, our Company has not capitalised its reserves or profits at any time since inception.

Revaluation of Assets during the last five years

There has not been any revaluation of Assets during the last five years.

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

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

Authority for the Issue

The Issue has been authorised by a resolution of the Board dated, 23rd July, 2010 and by special resolution adopted pursuant to Section 81(1A) of the Companies Act, 1956 at the Annual General Meeting of the shareholders of our Company held on 20th August, 2010.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment. *For further details, please refer to Chapter titled “Main Provisions of Articles of Association” on page 230 of the Draft Red Herring Prospectus.*

Mode of Payment of Dividend

We shall pay dividend to our Shareholders as per the provisions of the Companies Act and our Articles of Association. The declaration and payment of dividends will be recommended by our Board of Directors and our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. We shall pay dividends in cash.

Face Value and Issue Price per Share

The Equity Shares having a face value of ₹ 10 each are being offered in terms of the Draft Red Herring Prospectus at a price of ₹ [•] per Equity Share. The issue price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by way of book building. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws. The Issue Price is [•] times the face value of the Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;

- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, *please refer to Chapter titled "Main Provisions of Articles of Association" on page 230 of the Draft Red Herring Prospectus.*

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, 2009, the trading in the Equity Shares shall only be in dematerialised form for all investors.

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one Equity Shares to the successful Bidders subject to a minimum Allotment of [●] Equity Shares. For *details of Allocation and Allotment, please refer to the paragraph titled "Basis of Allotment" beginning on page 216 under Chapter titled "Issue Procedure" beginning on page 195 of the Draft Red Herring Prospectus.*

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- 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, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Bid/Issue Program

The period of operation of subscription list of public issue:

Bid/ Issue Opens on [●]	Bid/ Issue Closes on [●]
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Minimum Subscription

If our Company does not receive 90% of the Issue through the Red Herring Prospectus on the date of closure of the Issue, or if the subscription level falls below ninety per cent after the closure of Issue on account of cheques having being returned unpaid or withdrawal of applications, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest as per section 73 of the Companies Act, 1956.

Further, in accordance with Clause 26(4) of the SEBI (ICDR) Regulations, the Company shall 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

Since, our Equity Shares will be traded in dematerialized form only; the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, *please refer to under the Chapter titled "Main Provisions of Articles of Association" on page 230 of the Draft Red Herring Prospectus.*

Compliance with SEBI (ICDR) Regulations, 2009

Our Company shall comply with all requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, notified on August 26, 2009 as amended from time to time. Our Company shall comply with all disclosure norms as specified by SEBI from time to time.

Option to Receive Securities in Dematerialized Form

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for and will be allotted in dematerialized form only.

ISSUE STRUCTURE

Public issue of 40,00,000 equity shares of ₹ 10/- each at a price of ₹ [●] per equity share (including a premium of ₹ [●] per equity share) for cash aggregating upto ₹ [●] lacs (the “issue”). The issue will constitute 40.00% of the fully diluted post issue paid up capital of the company. The Issue is being made by 100% Book Building process.

Details of the Issue structure are tabulated below:

Particulars	QIBs*	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares	Up to 20,00,000 Equity Shares	Not less than 6,00,000 Equity Shares	Not less than 14,00,000 Equity Shares
Percentage of issue size available for allocation	Up to 50% of the Net Issue to the public (of which 5% shall be reserved for Mutual Funds) or Net Issue to the public less allocation to Non- Institutional Bidders and Retail Individual Bidders.* Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The Unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Net issue to the public or Net Issue size less allocation to QIBs and retail individual bidders *	Not less than 35% of the Net issue to the public or Net Issue size less allocation to QIBs and non institutional bidders *
Basis of Allocation if Respective category is oversubscribed	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000.	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000.	[●] Equity Shares.
Maximum Bid	Not exceeding the size of the issue, subject to regulations as applicable to the Bidder	Not exceeding the size of the issue, subject to regulations as applicable to the Bidder	Such number of Equity Shares so as to ensure that the Bid amount does not exceed ₹ 2,00,000.
Mode of Allotment	Dematerialized mode	Dematerialized mode	Dematerialized mode
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares.	[●] Equity Shares and in multiples of [●] Equity Shares.	[●] Equity Shares and in multiples of [●] Equity Shares
Allotment Lot	[●] Equity Shares and in multiples of 1 Equity	[●] Equity Shares and in multiples of 1 Equity	[●] Equity Shares and in multiples of 1 Equity

	Share thereafter.	Share thereafter.	Share thereafter.
Trading Lot/Market lot	One (1) Equity Share	One (1) Equity Share	One (1) Equity Share
Who can apply**	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investor registered with SEBI, multilateral and bilateral development financial institutions, Venture Capital Funds registered with SEBI, foreign Venture capital investors registered with SEBI, State Industrial Development Corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of ₹ 2500 Lacs and pension funds with minimum corpus of ₹ 2500 Lacs, National Investment Fund in accordance with applicable law.	Companies, Corporate Bodies, Scientific Institutions, Societies, Trusts, Resident Indian individuals, HUF (in the name of Karta), and NRIs (applying for an amount exceeding ₹ 2,00,000)	Individuals (including ASBA Bidders, NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed ₹ 2,00,000 in value. Resident Retail Individual Investor can also bid through ASBA.
Terms of payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application form to the members of the syndicate	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid cum Application form to the members of the syndicate	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application form to the members of the syndicate
Margin Amount	Full amount on bidding	Full amount on bidding	Full amount on bidding

*This Issue is being made through a 100% Book Building Process wherein up to 50% of the Issue shall be allocated on a proportionate basis to QIBs, Subject to valid Bids being received at or above the Issue Price. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from domestic Mutual Funds is less, than the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.

****Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.**

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in QIBs, Non-Institutional and Retail Individual categories would be allowed to be met with spill-over inter-se from any other categories, at the sole discretion of our Company, BRLM and subject to applicable provisions of SEBI Regulations.

***** In case the Bid Cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid Cum Application Form.**

The number of prospective Allottees of Equity Shares in this Issue shall not be less than 1,000.

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

Withdrawal of the Issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

In the event that our Company decides not to proceed with the Issue after Bid/ Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, the Company shall file a fresh DRHP with SEBI.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Net Issue to the Public shall be available for allocation to Qualified Institutional Buyers on a proportionate basis (of which 5% shall be allocated for Mutual Funds). Further, not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 35% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. We, in consultation with the BRLM, reserve the right to reject any Bid procured from QIBs, by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the bidders. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds. The primary responsibility of building the book shall be that of the lead book runner.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Illustration of Book Building and Price Discovery Process

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

The Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 60 to ₹ 72 per Equity Share, Issue size of 5,400 Equity Shares and receipt of five Bids from the Bidders. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the Bidding/Issue Period. The illustrative book as set forth below shows the demand for the Equity Shares of the Company at various prices and is collated from Bids from various investors.

Bid quantity	Bid price (rs)	Cumulative quantity	Subscription
1500	72	1500	27.78%
3000	69	4500	83.33%
4500	66	9000	166.67%
6000	63	15000	277.78%
7500	60	22500	416.67%

The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., ₹ 66 in the above example. Our Company, in consultation with the BRLM, will finalize the Issue Price at or below such cut off price, i.e., at or below ₹ 66. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective category.

Bid-cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allotment of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum- Application Form to a member of the Syndicate, the Bidder is deemed to have authorized us to make the necessary changes in the Draft Red Herring Prospectus

and the Bid-cum-Application Form as would be required for filing the 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 Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid- Cum- Application Form
Indian Public including QIBs, Non-Institutional Bidders or NRIs applying on a non-repatriation basis	[●]
Non-residents, NRIs or FIIs applying on a repatriation basis	[●]
ASBA Bidders	[●]

Who Can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian Nationals resident in India who are majors, in single or joint names (not more than three);
3. HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
4. Companies corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity shares;
5. Indian mutual funds registered with SEBI;
6. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI (ICDR) Regulations, 2009 and other Regulations, as applicable);
7. Venture capital funds registered with SEBI;
8. Foreign venture capital investors registered with SEBI;
9. State Industrial Development Corporations;
10. Insurance companies registered with the Insurance Regulatory and Development Authority;
11. Provident funds with minimum corpus of ₹ 25 crores and who are authorized under their constitution to invest in Equity Shares;
12. Pension funds with minimum corpus of ₹ 25 crores and who are authorized under their constitution to invest in Equity Shares;
13. Multilateral and bilateral development financial institutions;
14. Trusts/Societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/Societies and who are authorized under their constitution to hold and invest in Equity Shares;
15. Eligible Non-residents including NRIs and FIIs on a repatriation/non- repatriation basis subject to applicable local laws; and
16. Scientific and/or industrial research organizations authorized under their constitution to invest in Equity Shares.
17. As per existing regulations promulgated under FEMA, Overseas Corporate Bodies (OCBs) cannot bid/participate in this issue.
18. Insurance funds set up and managed by army, navy or air force of the Union of India; and
19. Insurance funds set up and managed by the Department of Posts, India.
20. Any other persons eligible to invest under all applicable laws, rules, regulations and guidelines in force for the time being, in India.

Note: Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant laws, rules, regulations, guidelines and approvals.

Participation by Associates of the BRLM and Syndicate Members

The BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLM, and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such holding or subscription maybe on their behalf or on behalf of their clients.

Procedure for Application by Mutual Funds

In accordance with the current regulations, no mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments by index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

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 B

ids 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 name of the scheme concerned for which the Bid has been made.

Application by FIIs

In accordance with the current regulations, the Issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of our Company. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of our Company in case such sub-account is a foreign corporate or an individual.

Application by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investors) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund/foreign venture capital investor. The aggregate holdings of venture capital funds and foreign venture capital investors registered with SEBI could, however, go up to 100% of our Company's paid-up equity capital.

Application by NRI

- Individual NRI Bidders can obtain the Bid-cum-Application Forms from our registered office situated at 16,4th Floor, Dawa Bazar, R.N.T. Marg, Indore – 452001, Madhya Pradesh India or from members of the Syndicate or the Registrars to the Issue.
- NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application form meant for Resident Indians (white in colour)

The above information is given for the benefit of the Bidders. The Bidders are advised to make to their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Draft Red Herring Prospectus. Bidders are advised to

make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid size

a) **For Retail Individual Bidders:** The Bid must be for minimum [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to maximum bid amount of ₹ 2,00,000/-. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 2,00,000. In case the Bid Amount is over ₹ 2,00,000 due to revision in bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allotment under the Non-Institutional Bidders category. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount payable by the Bidder exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI (ICDR) Regulations, 2009, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB margin on submission of bid.**

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to ₹ 2,00,000 or less due to a revision in Bids or revision of Price Band, the same would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

Information for the Bidders

1. We will file the Red Herring Prospectus with the Registrar of Companies, at least 3 (three) days before the Bid/Issue Opening Date.
2. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to their potential investors.
3. Any investor (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of the Red Herring Prospectus along with the Bid-cum- Application Form can obtain the same from our registered office or from the BRLM, or from a member of the Syndicate.
4. Investors who are interested in subscribing for our Company's Equity Shares should approach any of the BRLM or Syndicate Member or their authorized agent(s) to register their Bid.
5. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum- Application Forms should bear the stamp of the members of the Syndicate. Bid-cum- Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

Method and Process of bidding

a) We, with the BRLM, shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and the Price Band after the filing of the Red Herring Prospectus with RoC and also publish the same in three widely circulated newspapers (one each in English, Hindi and a regional newspaper). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of the SEBI (ICDR) Regulations, 2009. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and advertised at least two working days prior to the Bid/Issue Opening Date.

b) Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid. c) The Bidding Period shall be a minimum of 3 working (three) days and not exceed 7 working (seven) days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be informed to the Stock Exchanges and published in two national newspapers (one each in English and Hindi) and one regional newspaper and the Bidding Period may be extended, if required, by an additional 3 working (three) days, subject to the total Bidding Period not exceeding 10 working (ten) days.

d) During the Bidding Period, the Bidders may approach the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids.

e) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (*for details please refer to the paragraph titled "Bids at Different Price Levels" beginning on page 199 under this Chapter in the Draft Red Herring Prospectus*) within the Price Band and specify the demand (i.e., the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.

f) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form. *For details please refer to the paragraph titled "Build up of the Book and Revision of Bids" beginning on page 202 under this Chapter in the Draft Red Herring Prospectus.*

g) The members of the Syndicate will enter each option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip (TRS), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRS's for each Bid cum application Form. **It is the responsibility of the bidder to obtain the TRS from the Syndicate Member.**

h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described *under paragraph titled "Terms of Payment and Payment into the Escrow Collection Account" beginning on page 209 under this Chapter in the Draft Red Herring Prospectus.*

Bids at Different Price Levels

a) The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and advertised at least two working days prior to the Bid/Issue Opening Date. The Bidders can bid at any price within the Price Band, in multiples of Re 1.

b) In accordance with SEBI (ICDR) Regulations, 2009, our Company in consultation with the BRLM in accordance with this clause, without the prior approval of, or intimation, to the Bidders, can revise the Price Band. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band. In case of a revision in the Price Band, the Issue will be kept open for a further period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days.

c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the

NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and also by indicating the change on the websites of the BRLM.

d) We, in consultation with the BRLM, can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.

e) The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders applying for a maximum bid in any of the bidding options not exceeding ₹ 2,00,000 may bid at 'Cut off'. However, bidding at 'Cut-off' is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**

f) Retail Individual Bidders, who bid at the 'Cut-Off' agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at 'cut-off' shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders shall receive the refund of the excess amounts from the Refund Account.

g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at 'Cut-off' Price could either

i) revise their Bid

ii) make additional payment based on the cap of the revised Price Band, with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds ₹ 2,00,000, the Bid will be considered for allocation under the Non Institutional category in terms of the Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut off

iii) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut Off price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Refund Account.

Option to Subscribe in the Issue

- Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.
- The Equity Shares on allotment shall be traded on Stock Exchanges in demat segment only.
- A single bid from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines.

Escrow Mechanism

Our Company and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Issue. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and an Escrow Agreement. The monies in the Escrow Account of our Company shall be maintained by the Escrow Collection Bank(s) for and on

behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer an amount equivalent to Issue proceeds (Final Issue price multiplied by the number of Equity Shares allotted through this issue) from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement with our Company and the balance amount shall be transferred to the Refund Account, from where payment of refund to the Bidders shall be made.

The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between our Company, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Collection Account

In case of Non-institutional Bidders and Retail Individual Bidders, each Bidder shall, with the submission of the Bid-cum- Application Form draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the members of the Syndicate to whom the Bid is being submitted. In case of QIB Bidders, the Margin Amount has to be submitted along with the Bid to the members of the Syndicate. Bid-cum-Application Forms accompanied by cash and stock invests shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid-cum- Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account and Refund Account. Not later than 15 days from the Bid / Issue Closing Date, our Company will instruct the Refund Banker to refund all amount payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation to the Bidders, failing which our Company shall pay interest @15% per annum for any delay beyond the period mentioned above.

Each category of Bidders i.e. QIBs, Non-Institutional Bidders and Retail Individual Bidders, would be required to pay their Margin Amount at the time of the submission of the Bid-cum-Application Form. The Margin Amount payable by each category of Bidders is mentioned *under the Chapter titled "Issue Structure" beginning on page 192 of the Draft Red Herring prospectus* and shall be uniform across all the bidders in the same category. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the Registrar to the Issue. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid-Cum-Application Form.

Electronic Registration of Bids

a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one BSE / NSE on-line connectivity to each city where a Stock Exchange is located in India and the Bids are accepted.

b) NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding Period. Members of the Syndicate can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the BSE and NSE.

c) BSE and NSE will aggregate demand and price for Bids registered on their electronic facilities on a regular basis and display graphically the consolidated demand at various price levels. This information can be assessed on BSE's website at www.bseindia.com or on NSE's website at www.nseindia.com. The online, real-time graphical display of demand and bid prices at the bidding terminals shall be made. The BRLM shall ensure the availability of adequate infrastructure for data entry of the bids on a real time basis. At the end of each day of the bidding period the demand shall be shown graphically on the terminals for information of the syndicate members as well as the investors.

d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor (Investors should ensure that the name given in the bid cum application form is exactly the same as the Name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.)
- Investor Category – Individual, Corporate, NRI, FII, Mutual Fund, etc
- Numbers of Equity Shares bid for
- Bid price
- Bid Amount
- Bid-cum-Application Form number
- Whether payment is made upon submission of Bid-cum-Application Form
- Margin Amount and
- Depository Participant Identification Number and Client Identification Number of the demat account of the Bidder.

e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the members of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.

f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind. g) Consequently, all or any of the members of the Syndicate may reject QIB Bids provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the Bidder at the time of such rejection. In case of Non-Institutional Bidders, Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed as mentioned *under paragraph titled "Grounds for Technical Rejections" beginning on page 212 under this Chapter in the Draft Red Herring Prospectus.*

h) It is to be distinctly understood that the permission given by BSE and NSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or BRLM are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company.

i) It is also to be distinctly understood that the approval given by BSE and NSE for the use of their online IPO system should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

Build Up of the Book and Revision of Bids

a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.

b) The book gets build up at various price levels. This information will be available with the BRLM on a regular basis.

c) During the Bidding Period, any Bidder 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 printed Revision Form, which is a part of the Bid-cum-Application Form.

d) Revisions can be made in both the desired numbers of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum- Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Draft Red Herring Prospectus. In case of QIBs, the members of the Syndicate shall collect the payments in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders. QIB Bidders shall not be allowed to withdraw their Bid after Bid/Issue closing date.

g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/allotment. In case of discrepancy of data between NSE or BSE and members of the Syndicate, the decision of the BRLM based on the physical records of Bid cum Application forms shall be final and binding to all concerned.

Price Discovery and Allocation

a) After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with us.

b) Our Company, in consultation with the BRLM shall finalise the 'Issue Price', the number of Equity Shares to be allotted in each category of Bidders.

c) The allocation for QIBs upto 50% of the Net Issue to the Public, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis, subject to valid bids being received at or above the Issue Price in the manner as described in the section titled 'Basis of Allotment'. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Net Issue to the Public, respectively, would be on proportionate basis, in the manner specified in the SEBI (ICDR) Regulations, 2009, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

d) Under subscription, if any, in QIBs, Non-Institutional and Retail categories would be allowed to be met with spill over from any of the other categories at the discretion of our Company and the BRLM. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

e) Allocation to NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for Issue/Allocation of Equity Shares to them. f) The BRLM, in consultation with us, shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

g) Our Company in consultation with the BRLM, reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allocation, without assigning reasons whatsoever.

h) The allotment details shall be uploaded on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and ROC Filing

1. Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.

2. After signing the Underwriting Agreement, we will update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the ROC

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC, Madhya Pradesh situated at Gwalior. A copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration to the RoC, Madhya Pradesh situated at Gwalior. We will ensure that all the legal requirements applicable till the filing of the Prospectus with RoC are complied with.

Announcement of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on the Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI (ICDR) Regulations, 2009 in an English national daily with wide circulation, one Hindi National newspaper, and a regional language newspaper.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement at the time of/after filing of Prospectus with ROC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Intimation Note and Confirmation of Allocation/Allotment Note to bidders, other than QIBs

The Registrar to the Issue shall send Confirmation of Allocation Note/Allotment Advice-cum- Refund Orders to all the Bidders intimating the number of shares allotted and the amount refunded.

Issuance of Intimation Note and Confirmation of Allocation Note to QIB bidders

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/ NSE system. Based on the electronic book, if so required, QIBs may be sent an Intimation Note, indicating the number of Equity Shares that may be allocated to them and the additional margin required which shall be payable by the QIBs within the pay-in date specified therein. This Intimation Note is subject to the Basis of Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI (ICDR) Regulations, 2009, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciled book and basis of allotment as approved by the Designated Stock Exchange. In addition, there are foreign investment limitations applicable to our Company, which may result in a change (including a potential decrease) in the number of Equity Shares being finally allotted to nonresident investors (including FIIs). As a result, a CAN may be sent to QIBs and the allocation of Equity Shares in such CAN, may be different from that specified in the earlier Intimation Note. QIBs should note that they may be required to pay additional amounts if any, by way of cheque, DD, RTGS, NEFT or any other electronic mode by the Pay-in Date specified in the CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract for the QIB for all the Equity Shares allocated to such QIB

Designated Date and Transfer of Funds to Public Issue Account

a) Our Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, we would allot the Equity Shares to the allottees and would ensure the credit to the successful Bidders depository account within two working days from the date of finalization of the basis of allotment with the Designated Stock Exchange. In case, our Company fails to make allotment or transfer within 12 days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum.

b) In accordance with the SEBI (ICDR) Regulations, 2009, Equity Shares will be issued and allotment shall be made only in the dematerialized form to the allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

General Instructions

Do's:

- a) Check if you are eligible to apply;
- b) Complete the bid-cum-application form after reading all the instructions carefully;
- c) Ensure that the details about Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialized form only;
- d) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects.
- e) Ensure that the Bids are submitted at the Bidding Centres only on forms bearing stamp of the Syndicate Member;
- f) Ensure that you have been given a TRS for all your Bid options;
- g) Submit Revised Bids to the same Syndicate Member through whom the original Bid was placed and obtain a revised TRS;

h) Ensure that the Bid is within the Price Band;

i) Investors must ensure that the name given in the bid cum application form is exactly the same as the name in which the Depository Account is held. In case, the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

j) Ensure that Permanent Account Number (PAN) is mentioned in the Bid-cum-Application Form.

k) If you have mentioned 'Applied For' or 'Not Applicable' in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.

l) Ensure that the Demographic details as registered with your Depository participant are updated, true and correct at all respects.

Don'ts:

a) Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;

b) Do not Bid for lower than minimum Bid size;

c) Do not Bid or revise the Bid to less than the lower end of the Price Band or higher than the higher end of the Price Band;

d) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

e) Do not pay bid amount in cash, through stock invest, by money order or by postal order.

f) Do not provide your GIR number instead of PAN number;

g) Do not Bid at cut off price (for QIB Bidders and Non-Institutional Bidders for whom the Bid Amount exceeds ₹ 2,00,000);

h) Do not fill up the Bid cum Application Form for an amount that exceeds the investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable law.

i) Do not send Bid cum Application Form by post; instead submit the same to a member of the Syndicate only.

j) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.

Instructions for completing the Bid-Cum-Application Form

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from our registered/corporate office, or from the Syndicate Members or from the BRLM.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRI or FII or foreign venture capital fund/Multilateral and Bilateral Development Financial Institutions applying on repatriation basis).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained therein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bidcum- Application Forms or Revision Forms are liable to be rejected.

(c) The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum of ₹ 2,00,000.

(d) For non-institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the size of the Issue. Bidders are advised to ensure that a single bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations.

(e) In single name or in joint names (not more than three and in the same order as their Depository Participant details).

(f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participants Name, Depository Participants Identification Number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, the Bidder's bank account details. These bank account details would be printed on the Refund Orders/Refund Advices, if any, to be sent to the Bidders and for giving refund through any of the mode namely ECS or Direct Credit or RTGS or NEFT. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant.

Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidder's sole risk and neither the BRLM nor our Company shall have any responsibility and undertake any liability for the same.

BIDDER'S DEPOSITORY ACCOUNT DETAILS

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, occupation, bank account details for printing on refund orders / refund advices or and for giving refund through any of the mode namely ECS or Direct Credit or RTGS or NEFT (hereinafter referred to as Demographic Details). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form. These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ refund advice / ECS credit for refunds/ Direct Credit of refund/CANs/Allocation Advice and printing of Bank particulars on the refund

order / refund advice, and the Registrar would not use the Demographic Details given by Bidders in the Bidcum- Application Form for these purposes.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants. By signing the Bid-cum-Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records. Refund Advice / Refund Orders/ Allocation Advice/ CANs would be mailed at address of the first Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ refund advice/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidders in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk. In case no corresponding record is available with the Depositories that match three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected. Investors should note that the refund cheques/allocation advice/refund advice would be overprinted with details of bank account as per the details received from the depository.

Bids under Power of Attorney or by Limited Companies, Corporate Bodies or Registered Societies

In case of bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum & Article of Association and/or Bye Laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any bid in whole or in part. In case of Bids made pursuant to a Power of Attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

Procedure for Bids by Mutual Funds

In case of Bids made by mutual fund registered with SEBI, Venture Capital Fund registered with SEBI and Foreign Venture Capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

Bids by Provident Funds

In case of Bids made by provident fund with the minimum corpus of ₹ 2500 Lacs and pension fund with the minimum corpus of ₹ 2500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged with the Bidcum- Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part. We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions as our Company/BRML may deem fit.

Bids by NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI on a repatriation basis

NRI, FIIs and Foreign Venture Capital funds Bidders to comply with the following:

- Individual NRI Bidders can obtain the Bid-cum-Application Forms from our registered office or from members of the Syndicate or the Registrars to the Issue.
- NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application form meant for Resident Indians (white in colour).

Bids and Revision to Bids must be made:

On the Bid cum Application Form or Revision Form, as applicable and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

- In a single name or joint names (not more than three)
- **By NRIs:** For a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid amount of ₹ 2,00,000 for the Bid to be considered as part of the Retail Portion. Bids for Bid Amount more than ₹ 2,00,000 would be considered under Non Institutional Category for the purposes of allocation. *For further details refer to paragraph titled "Maximum and Minimum Bid Size" beginning on page 198 under this Chapter in the Draft Red Herring Prospectus.*
- **By FIIs:** In multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. *For further details refer to paragraph titled "Maximum and Minimum Bid Size" beginning on page 198 under this Chapter in the Draft Red Herring Prospectus.*
- In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post/speed post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Payment Instructions

We along with BRLM and Syndicate Member(s) shall open an Escrow Account of our Company with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account to the Issue

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.
2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.

3. The payment instruments for payment into the Escrow Account of our Company should be drawn in favour of:

(i)	In case of Resident Bidders	Escrow Account – [●]- Public Issue – R
(ii)	In case of Non Resident Bidders	Escrow Account – [●] Public Issue – NR
(iii)	In case of Resident QIB Bidders	Escrow Account – All Public issue - QIB – R
(iv)	IN case of Non Resident QIB Bidders	Escrow Account – All Public Issue – QIB – NR

4. In case of bids by eligible NRIs applying on a repatriation basis, the payments must be made through Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in the Non-Resident External (NRE) Accounts or the Foreign Currency Non-Resident Accounts (FCNR), maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO). Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to the NRE Account or the Foreign Currency Non- Resident Account

5. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

6. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

7. Where a Bidder has been allocated a lesser number of Equity Shares than what the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account of our Company.

8. The monies deposited in the Escrow Account of our Company will be held for the benefit of the Bidders till the Designated Date.

9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of our Company as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue and Refund Account with the Refund Bankers.

10. On the Designated Date and no later than 11 working days from the Bid/Issue Closing Date, the Refund Banker shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

Payments should be made by cheque, or demand drafts drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheque/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash / Stockinvest / Money Orders / Postal Orders will not be accepted.

Payment by cash/ money order

Payment through cash/ money order shall not be accepted in this Issue.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. Each member of the Syndicate may at its sole discretion waive the requirement of payment at the time of submission of the Bid-cum-Application Form and Revision Form. However, for QIB Bidders, the members of the Syndicate member shall collect the Margin Amount.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Other Instructions

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum- Application Form or Revision Form ('First Bidder'). All communications will be addressed to the First Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i) All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.
- ii) In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
- iii) The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
- iv) The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and nonnumeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.
- v) The applications will be scrutinized for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
- vi) Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

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. The applications made by the asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

We reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, the Bidders, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Bid cum Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground. With effect from August 16, 2010, the demat account for Bidders for which PAN details have not been verified shall be "suspended credit" and no credit of Equity Shares pursuant to the Issue shall be made into accounts of Bidders.

Right to Reject Bids

Our Company, in consultation with the BRLM, reserves the right to reject any Bid procured from QIBs, by any or all members of the Syndicate for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the Bidders. In case of Non-Institutional Bidders and Retail Individual Bidders our Company would have a right to reject the Bids only on technical grounds. Consequent refunds shall be made by Cheque/Pay Order/Demand Draft/ECS/Direct Credit/RTGS/NEFT, as the case may be, and will be sent to the bidder's address at the bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on technical grounds, including the following:-

1. Amount paid doesn't tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. Bank account details for Bidders not given;
4. In case of partnership firms Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
5. Bids by Non Residents, if not in compliance with the appropriate foreign and Indian laws;
6. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons
7. PAN not mentioned in the Bid-cum-Application form
8. GIR Number given instead of PAN Number;
9. Bids for lower number of Equity Shares than specified for that category of investors;
10. Bids at a price less than the lower end of the Price Band;
11. Bids at a price more than the higher end of the Price Band;
12. Bids at cut-off price by Non-Institutional and QIB Bidders;
13. Bids for number of Equity Shares, which are not in multiples of [●];
14. Category not ticked;
15. Multiple bids as defined in the Draft Red Herring Prospectus;
16. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
17. Bids accompanied by Stockinvest/money order/ postal order/ cash;
18. Bids not duly signed by the sole /joint Bidders;
19. Bid-cum-Application Form does not have the stamp of the BRLM/Syndicate Member;
20. Bid-cum-Application Form does not have Bidder's depository account details;

21. Bid-cum-Application Forms are not submitted by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid-cum-Application Form; or
22. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary's identity;
23. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
24. Bid in respect of which Bid cum Application form do not reach the Registrar prior to the finalization of the basis of allotment;
25. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
26. Bids by OCBs;
27. Bids by US persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act or other than in reliance on Regulation S under the Securities Act;
28. Bids by any person outside India if not in compliance with applicable foreign and Indian laws;
29. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
30. Bids not uploaded in the electronic bidding system of Stock Exchanges would be rejected; and
31. Bids by NRIs not disclosing their residential status;
32. Any other reason which the BRLM or our Company deem necessary.

Equity Shares in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among our Company, the Depositories and the Registrar:

- 1) An Agreement dated [●], 2010 among NSDL, our Company and Registrar.
- 2) An Agreement dated [●], 2010 among CDSL, our Company and Registrar.

All bidders can seek allotment only in dematerialized mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected. All Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

- 1) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
- 2) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid cum Application Form or Revision Form.
- 3) Equity Shares allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- 4) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the depository account of the Bidder(s).
- 5) Non-transferable allocation advice or refund orders will be directly sent to the Bidder by the Registrar to the Issue.
- 6) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.

7) The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis-à-vis those with his/her Depository Participant.

8) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. BSE and NSE, where Equity Shares are proposed to be listed are connected to NSDL and CDSL.

9) The trading of our Equity Shares would only be in dematerialized form for all investors in the demat segment of BSE and NSE.

10) Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated to them, pursuant to the issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders Depository account details, number of Equity Shares applied for, date of Bidcum- Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Our Company has appointed Mr. Anurag Kumar Saxena the Compliance Officer for the purposes of this IPO and he may be contacted at the registered office of our Company at: 16,4th Floor, Dawa Bazar, R.N.T. Marg, Indore – 452001, Madhya Pradesh, India. Investors may contact him in case of any Pre-Issue or Post-Issue related problems.

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

Mode of Making Refunds

The payment of refund, if any, would be done through various modes as given hereunder:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the centres where such facility is made available, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the abovementioned sixty eight centres and whose refund amount exceeds ₹ 10 Lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch.

IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers.

Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to ₹ 1,500 and through Speed Post/ Registered Post for refund orders of ₹ 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

Disposal of Applications and Application Money

With respect to Bidders other than ASBA Bidders, the Company shall ensure dispatch of allotment advice and/or refund orders/refund advice (in case refunds made through ECS/ Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the bidders with their respective Depository Participant and submission of the allotment and listing documents to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI (ICDR) Regulations, 2009, our Company, further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 12 Working days of the Bid/Issue Closing Date;
- And With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured With respect to the ASBA Bidders' instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date;

The Company shall pay interest at 15% per annum for any delay beyond the 12 days from the Bid/Issue Closing Date as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not

been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within 12 Working Days prescribed above. If such money is not repaid within eight days from the day the Company becomes liable to repay, the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

(a) makes in a fictitious name, a Bid to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”

BASIS OF ALLOTMENT

Basis of allotment shall be finalized by our Company and BRLM in consultation with BSE.

I. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the successful Retail individual Bidders will be made at the Issue Price.
- The Net Issue size less allocation to Non-Institutional Bidders and QIBs shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 14,00,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 14,00,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares (being the minimum bid quantity) or in multiples of one Equity Share. For the method of proportionate basis of allocation, refer below.

II. For Non Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Net Issue size less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 6,00,000 Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 6,00,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares (being the minimum bid quantity) or in multiples of one Equity Share. For the method of proportionate basis of allotment refer below.

III. For QIB Bidders

- Bids received from the QIB bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the issue price.
- The QIB portion shall be available for allocation to QIB bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

- In the event that Mutual Fund Bids exceed 5% of the QIB portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB portion.
- In the event that the aggregate demand for Mutual Funds is less than 5% of the QIB portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
- Equity shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;

(b) In the second instance allocation to all QIB's shall be determined as follows:

- In the event that the oversubscription in the QIB portion, all QIB bidders who have submitted bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB portion.
- 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 Share on a proportionate basis along with other QIB Bidders.
- Under-subscription below 5% of the QIB portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB bidders on a proportionate basis.

(c) The aggregate allocation to QIB Bidders shall be up to 20,00,000 Equity Shares.

Procedure and Time Schedule for Allotment and Issue of Certificates

The Issue will be conducted through a 100% book building process' pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [●] and expire on [●]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the issue price, and, in consultation with the BRLM, the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the Stock Exchanges. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with

Registrar of Companies, Madhya Pradesh, Gwalior and SEBI, Mumbai. SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful bidders within 12 days from the Bid/Issue Closing Date. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and traded on BSE and NSE.

Method of Proportionate Basis of Allotment in this Issue

In the event of the Issue being over-subscribed, the basis of allotment shall be finalised by Our Company in consultation with the Designated Stock Exchange. The Executive Director/Managing Director (or any other senior official nominated by them) of the Bombay Stock Exchange (Designated Stock Exchange) along with the post Issue Merchant Banker and the Registrars to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportional basis as explained below:

(a) Bidders will 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 shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio, in that category subject to a minimum allotment of [●] Equity Shares. The allotment lot shall be the same as the minimum application lot irrespective of any revisions to the price band.

(d) In all Bids where the proportionate allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of [●] Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.

(e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If the decimal is less than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIB's and Mutual Fund ("MF")

A. Issue Details

Sr. No.	Particulars	Issue Details
1.	Issue Size	200 lacs equity shares
2.	Allocation to QIB (50% of Net Issue) Of Which:	100 lacs equity shares
	a. Reservation for Mutual Funds (5%)	5 lacs equity shares
	b. Balance for all QIB's including Mutual Funds	95 lacs equity shares

3.	Number of QIB applications	10
4.	Number of Equity Shares applied	500 lacs equity shares

B. Details of QIB Bids

Sr. No.	Type of QIB Bidders#	No. of shares bid for (in Lacs)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
	Total	500

A1-A5:P (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

Type of QIB Bidders	Shares bid for	Allocation of 5 Lacs Equity shares to MF proportionately (Please see note 2 below)	Allocation of balance 95 Lacs Equity shares to QIB's proportionately (Please see note 4 below)	Aggregate allocation to MF's
(I)	(II)	(III)	(IV)	(V)
A1	50	0	9.6	0
A2	20	0	3.8	0
A3	130	0	3.8	0
A4	50	0	24.9	0
A5	50	0	9.6	0
MF1	40	0.84	9.6	8.5
MF2	40	0.84	7.5	8.5
MF3	80	1.68	7.5	17.0
MF4	20	0.42	15.0	4.2
MF5	20	0.42	3.7	4.2
	500	4.20	95.0	42.4

1. The illustration presumes compliance with the requirements specified in this Prospectus in the section titled "Issue Structure" beginning on page no. 192 of this Draft Red Herring Prospectus.

2. Out of 100 Lacs Equity Shares allocated to QIBs, 5 Lacs (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.

3. The balance 95 Lacs Equity Shares (i.e. 100 - 5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).

4. The figures in the fourth column titled "Allocation of balance 95 Lacs Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

- For QIBs other than Mutual Funds (A1 to A5) = No. of shares Bid for (i.e. in column II) X 95 / 495
- For Mutual Funds (MF1 to MF5) = [(No. of shares Bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 95 / 495
- The numerator and denominator for arriving at allocation of 95 Lacs shares to the 10 QIBs are reduced by 5 Lacs shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders or instructions to the SCSB's

The Company shall give credit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares. Applicants residing at the centers where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Direct Credit or RTGS or NEFT, or NECS as applicable (subject to availability of all information for crediting through electronic mode). In case of other applicants, the Bank shall ensure dispatch of refund orders, if any, of value up to ₹ 1,500 by 'Under Certificate of Posting', and shall dispatch refund orders above ₹ 1,500, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through the electronic facility. Applicants to whom refunds are made through Electronic transfer of funds will be send a letter through ordinary post intimating them about the mode of credit of refund within 12 working days of closure of Issue. We shall ensure dispatch of refund orders, if any, by 'Under Certificate of Posting' or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS or NEFT, as applicable, only at the sole or First Bidder's sole risk within 12 Working days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the issuer.

Dispatch of Refund Orders

For details of Dispatch of Refund Orders refer to paragraph titled "Disposal of Applications and Application Money" beginning on page 215 under this Chapter in the Draft Red Herring Prospectus.

Interest in case of delay in Dispatch of Allotment Letters/Refund Orders in case of public issues

The Company agrees that (i) Allotment of Equity Shares and (ii) credit to successful Bidders' depository accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Company further agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/ Issue Closing Date

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/Issue Program

Bid/ Issue Opens on [●]	Bid/ Issue Closes on [●]
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Bids and any revision in Bids shall be accepted **only between 10.00 am and 3.00 pm** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. Standardized cut-off time for uploading of bids on the bid/issue closing date is as under:

1. A standard cut-off time of 3.00 pm for acceptance of bids

2. A standard cut-off time of 4.00 pm for uploading of bids received from non retail applicants i.e. QIBs and HNIs.

3. A standard cut-off time of 5.00 pm for uploading of bids received from retail applicants, where the Bid Amount is up to ₹ 2,00,000 which may be extended up to such time as deemed fit by Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above. All times mentioned in the Draft Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, our Company, the BRLM and the Syndicate Member shall not be responsible. On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Exchanges.

The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and advertised at least two working days prior to the Bid/Issue Opening Date. The announcement on the Price Band shall also be made available on the websites of the BRLM and at the terminals of the Syndicate.

We reserve the right to revise the Price Band during the Bidding Period in accordance with SEBI (ICDR) Regulations, 2009. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price and can move up or down to the extent of 20%.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers one in English and other in Hindi, and also by indicating the change on the web sites of the BRLM and at the terminals of the Syndicate and to the SCSBs.

ISSUE PROCEDURE FOR ASBA BIDDERS

SEBI, introduced a new mode of payment in public issues i.e., application supported by blocked amount wherein the application money remains in the ASBA Account until allotment in the public issue. Set forth below is the procedure for Bidding under the ASBA procedure, for the benefit of the Bidders.

This section is only to facilitate better understanding of aspects of the procedure for bidding which is specific to ASBA Bidders. ASBA Bidders should nonetheless read this document in entirety.

Our Company and the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA Process are provided at <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the ASBA Form, please refer the above mentioned SEBI link.

ASBA Process

A resident Retail Individual Bidder can submit his Bid through an ASBA Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the ASBA Account specified in the ASBA Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Who can Bid?

In order to be eligible to apply under the ASBA process, a Bidder has to satisfy the following conditions:

- a) is a "Resident Retail Individual Investor";
- b) is bidding at cut-off, with single option as to the number of shares bid for;
- c) is applying through blocking of funds in a bank account with the Self Certified Syndicate Bank (SCSB);
- d) has agreed not to revise his/her bid;
- e) is not bidding under any of the reserved categories.

ASBA Form

An ASBA Bidder shall use the ASBA Form obtained from the Designated Branches of the SCSBs for the purpose of making a Bid in terms of the Draft Red Herring Prospectus. ASBA Form shall bear the stamp of the syndicate member/SCSBs and if not, the same shall be rejected. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. *For further information on how to complete ASBA Forms refer to paragraph titled "Instructions for Completing the ASBA Form" beginning on page 223 under this Chapter in the Draft Red Herring Prospectus.*

- The ASBA Bidders can submit only one Bid option in the ASBA Form which shall be at Cutoff Price. After determination of the Issue Price, the number of Equity Shares Bid for by the ASBA Bidders will

be considered for allocation along with the other Retail Individual Bidders who have Bid for the Equity Shares at or above the Issue Price or at the Cut-off Price.

- In the ASBA Form, the ASBA Bidder shall, inter alia, give the following confirmations/ declarations:
 - a. That he/she is an ASBA Bidder as per the SEBI (ICDR) Regulations, 2009;
 - b. That he/she has authorized the SCSBs to do all acts as are necessary to make an application in the Issue, upload his/her Bid, block or unblock the funds in the ASBA Account and transfer the funds from the ASBA Account to the Public Issue Account after finalization of the Basis of Allotment entitling the ASBA Bidder to receive Equity Shares in the Issue etc.; and
 - c. That he/she has authorized the Registrar to the Issue to issue instructions to the SCSBs to unblock the funds in the ASBA Account upon finalization of the Basis of Allotment and to transfer the requisite money to the Public Issue Account.
- An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Form or Bid cum Application Form after bidding on one ASBA Form either in physical or electronic mode. Submission of a second ASBA Form to either the same or another Designated Branch of the SCSB or a Bid cum Application to the Members of Syndicate will be treated as multiple Bid and will be liable to be rejected either before entering the Bid into the electronic Bidding System, or at any point of time prior to the Allotment of Equity Shares in the Issue. **ASBA Bidders are cautioned that Bids for Equity Shares in the Issue through the ASBA Form cannot be revised.**
- Upon completing and submitting the ASBA Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

INSTRUCTIONS FOR COMPLETING THE ASBA FORM

1. Bids through ASBA must be made only in the prescribed ASBA Form (if submitted in physical mode) or electronic mode.
2. The Bid may be made in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
3. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein and in the ASBA Form.
4. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares such that the Bid Amount does not exceed ₹ 2,00,000.
5. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
6. ASBA Bidders should correctly mention the ASBA Account number in the ASBA Form and ensure that funds equal to the Bid Amount are available in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.
7. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the account holder as provided in the ASBA Form.

8. ASBA Bidders should correctly mention their DP ID and Client ID in the ASBA Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Form.

Maximum and Minimum Bid Size for ASBA Bidders

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed ₹ 2,00,000.

Information for the ASBA Bidders:

1. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
2. Our Company and the BRLM will declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with the RoC and also publish the same two national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and advertised at least two working days prior to the Bid/Issue Opening Date.
3. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches of the SCSBs. ASBA Bidders can also obtain a copy of the Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.
4. The Bids should be submitted to the SCSBs on the prescribed ASBA Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account. *For further information on how to complete ASBA Forms refer to paragraph titled "Instructions for Completing the ASBA Form" beginning on page 223 under this Chapter in the Draft Red Herring Prospectus.*
5. ASBA Bidders shall Bid for Equity Shares only at the Cut-off Price, with a single Bid option as to the number of Equity Shares. In accordance with the SEBI (ICDR) Regulations, 2009, our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding/Issue Period. In case of revision, the cap on the Price Band will not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
6. Our Company, in consultation with the BRLM, shall finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the ASBA Bidders.
7. Our Company and the BRLM shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date and Price Band in the Red Herring Prospectus to be filed with the RoC and also publish the same in two circulated national newspapers (one each in English and Hindi) and one regional newspaper, each with wide circulation in the place where our Registered Office is situated. The Price Band and the Minimum Bid Size will be decided by the Company in consultation with the BRLM and advertised by the Company at least two (2) Business Days prior to the Bid / Issue Opening Date. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under SEBI (ICDR) Regulations, 2009. The SCSBs shall accept Bids from the ASBA Bidders during the Bidding/Issue Period.
8. The Bidding/Issue Period shall be for a minimum of three working Days and shall not exceed ten working Days. In case the Price Band is revised, the revised Price Band and Bidding/Issue Period will be published in two national newspapers (one each in English and Hindi) and one regional newspaper, each

with wide circulation and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate. The Bidding/Issue Period shall be extended by an additional three Business Days, subject to the total Bidding/Issue Period not exceeding 10 Business Days.

Payment Instructions/Mode of Payment

Upon submission of an ASBA Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the ASBA Account.

ASBA Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

SCSBs shall block the Bid Amount in the ASBA Account. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue or withdrawal/failure of the Issue or withdrawal/failure of the Bid through ASBA, as the case may be. In the event the ASBA Account does not have a sufficient credit balance for the Bid Amount, the ASBA shall be rejected by the SCSB and no funds shall be blocked in the said ASBA Account.

On the Designated Date, the SCSBs shall unblock and transfer the Bid Amount from the ASBA Account for successful Bids into the Public Issue Account and the balance amount, if any, shall be unblocked.

Electronic Registration of Bids

Upon receipt of the ASBA Form, the Designated Branch of the SCSBs shall register and upload the Bid. **The BRLM, our Company and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Bids accepted by SCSBs, Bids uploaded by SCSBs, Bids accepted but not uploaded by SCSBs or Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.**

At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s);
- Application Number;
- Permanent Account Number;
- Bank Account Number;
- Bid Amount;
- Number of Equity Shares Bid for;
- Depository Participant identification No.; and
- Client identification No. of the Bidder's beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bidding/Issue Period. The Designated Branches can

also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges.

Instruction to SCSBs for unblocking of ASBA Account

Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSBs for unblocking the ASBA Accounts and for the transfer of requisite amount to the Public Issue Account. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or withdrawal or rejection of the ASBA Bid, as the case may be.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs by the Registrar to the Issue

The Company agrees that (i) Allotment of Equity Shares and (ii) credit to successful Bidders' depository accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Company further agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/ Issue Closing Date.

The Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue, along with:

- The number of shares to be allotted against each successful ASBA;
- The amount to be transferred from the ASBA Account to the Public Issue Account, for each successful ASBA;
- The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Public Issue Account; and
- The details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn / unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective ASBA Accounts.

Investors should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Basis of Allocation and Method of Proportionate Basis of Allocation in the Issue

Bids received from ASBA Bidders will be considered at par with Bids received from other Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and other Retail Individual Bidders. The basis of

allocation to such valid ASBA and other Retail Individual Bidders will be that applicable to Retail Individual Bidders.

UNDERTAKING BY OUR COMPANY

We undertake as follows:

1. that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
2. that all steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed are taken within 7 working days of finalization of the basis of allotment;
3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company.
4. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. that certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time.
6. that no further issue of securities shall be made till the securities offered through the Draft Red Herring Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.
7. that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Withdrawal of the Issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by the Company shall be in compliance with applicable laws.

If our Company withdraws the issue after closure of bidding, the issuer shall be required to file a fresh draft offer document with the Board.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

- i) All monies received out of this issue of Equity Shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act, 1956;
- ii) Details of all monies utilized out of the issue referred to in sub-item (a) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate

separate head in the Balance Sheet of our Company indicating the purpose for which such monies had been utilized; and

iii) Details of all unutilized monies out of the issue of Equity Shares, referred to in sub-item (i) shall be disclosed under an appropriate separate head in the Balance Sheet of our Company indicating the form in which such unutilized monies have been invested;

The Company shall not have recourse to the Issue proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI. As per current foreign investment policies, foreign direct investment in the sector in which our Company operates (Civil Construction) is allowed upto 100% under the automatic route. RBI, *vide* its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents.

Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India ("NRIs"). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell Equity Shares of our Company through a registered broker on the Stock Exchanges. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post- issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of Equity Shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the board of directors and shareholders of our Company. The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of a Company on behalf of its sub-accounts, the investment on behalf of each subaccount shall not exceed 10% of the total issued capital of that Company.

Registration of Equity Shares under US Laws

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, 'U.S. persons' (as defined in Regulation S of the U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to 'qualified institutional buyers', as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of Bidders. Our Company, the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this DRHP. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations. However we shall update this DRHP and keep the public informed of any material changes in matters concerning our business and operations till the listing and commencement of trading of the Equity Shares.

SECTION VIII- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Regulation in Table A to apply to the extent they are not inconsistent with Articles.

- (a) The Regulations contained in Table 'A' of Schedule 1 of the Act shall apply in so far as and to the extent they are not consistent with any of the provisions in these articles.
- (b) Wherever in the said Act it has been provided that the Company shall have any right, privilege or authority or that Company could carry out any transaction only if the Company is so authorized its Articles then and in that case this regulation hereby authorizes and empowers the Company to have such right, privilege, authority and to carry such transaction as have been permitted by the Act without their being any specific regulation in that behalf herein provided. As illustration of such rights, authorities and transaction the following are set out with relevant sections.

The Authorized capital of our Company is ₹ 12 Crores divided into 1, 20, 00,000 Equity Shares of ₹ 10 each.

SHARE CAPITAL AND VARIATION OF RIGHTS

Title of Article	Article Number	Contents
Share Capital and Variation of rights.	5	<p>(a) The Authorise Share Capital of the Company shall be as per Clause V of the Memorandum of Association, with power to increase or reduce the share Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, cumulative convertible preference, guaranteed, qualified or special rights privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association.</p> <p>(b) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid-up on such equity shares respectively at the commencement of the winding up.</p>
Company's Funds may not be Applied in Purchase of or Lent for Shares of the Company	6	<p>(a) The Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of Sections 100 to 104 or Section 402 of the Act.</p> <p>(b) The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding Company.</p> <p>Provided that nothing in this clause shall be taken to prohibit:</p>

		<p>(i) the provision by the Company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for fully paid shares in the Company or its holding company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the Company, including any Director holding a salaried office or employment in the Company; or</p> <p>(ii) the making by the Company of loans, within the limit laid down in Sub-Section (3) of Section 77 of the Act, to persons (other than Directors or Managers) bonafide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company or its holding Company to be held by themselves by way of beneficial ownership.</p> <p>(c) No loan made to any person in pursuance of clause (b) of the foregoing proviso shall exceed in amount, his salary or wages at that time for a period of six months.</p> <p>(d) Nothing in this Article shall affect the right of the Company to redeem any shares issued under Section 80 of the Act.</p>
Increase Reduction and Alteration of Capital	7	The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amounts as it thinks expedient.
On what Conditions the New Shares may be Issued	8	Subject to the provisions of Section 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the general meeting creating the same as shall be directed and if no direction be given then as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said Sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of said Sections with special or without any right of voting and subject to provisions of Section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.
Further Issue of Capital	9	<p>1. Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of un issued share capital or out of the increased share capital:</p> <p>a. such further shares shall be offered to the person who at the date of offer, are holders of the equity shares of the Company in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date.</p> <p>b. the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than one month from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. PROVIDED THAT the Directors may decline without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.</p> <p>c. the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or</p>

		<p>any of them in favour 'of any other person and the notice shall contain a statement of this right.</p> <p>d. After the expiry of the time specified in notice aforesaid or on receipt of earlier intimation from the person to whom such notice. is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.</p> <p>2. Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the person referred to in clause (a) of sub-cause (1) hereof) in any manner whatsoever.</p> <p>a. If a special resolution to that effect is passed by the Company in General Meeting, or</p> <p>b. where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members Who, being entitled to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.</p> <p>3. Nothing in sub-clause (c) of (1) hereof shall be deemed;</p> <p>a. To extend the time within which the offer should be accepted; or</p> <p>b. To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.</p> <p>4. Nothing in these Articles shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the Company.</p> <p>i. To convert such debentures or loans into shares in the Company; or</p> <p>ii. To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).</p> <p>PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:</p> <p>a. Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that Government in this behalf; and</p> <p>b. In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.</p>
Board's right to convert unissued shares, if any	10	<p>a) The Board may, at its discretion, convert the unissued Equity shares into preference shares or Redeemable preference shares and vice versa and the Board may issue any</p>

		<p>part or parts of the unissued shares upon such terms and conditions and with such rights and privileges annexed thereto as the Board at its discretion and subject to the provision of section 86 of the Act thinks fit, and in particular may issue such share with such preferential or qualified right to dividends and in the distribution of the assets of the Company as the Board may subject to the aforesaid sections determine.</p> <p>b) The Board may, at its discretion issue any portion of the preference shares not already issued, as redeemable preference shares which are at the option of the Company liable to be redeemed and subject to the provisions of Section 80 of the Act, on such terms as to dividends, preferential payment or return of the amount paid up thereon and as to condition and terms of redemption as the Directors may deem fit.</p>
Power to General Meeting to offer shares to such persons as the Company may resolve	11	<p>In addition to and without derogating from the powers for that purpose conferred on the Board under Article 9 of the Company in General Meeting may determine that any shares (whether forming part of the original capital or of any increased capital of the company) shall be offered to such person (whether member or holder of debentures of the company or not) 'in such proportions and on such terms and conditions and either at a premium or at par, or (subject to compliance with the provisions of section 79 of the Act) at a discount, as such General Meeting shall determine and with full power to give to any person (whether Member or holders of debentures of the company or not) the option to call for or be allotted shares of any class of the company either at a premium or at a par, or (subject to compliance with the provisions of section 79 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting of the company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.</p>
Variation of rights	12	<p>The rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of sections 106 and 107 of the Act, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of these Articles relating to General Meeting shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.</p>
Issue of further shares pari passu shall not effect the rights of the shares already issued.	13	<p>The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided for by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.</p>
No issue with disproportionate rights	14	<p>The Company shall not issue any shares, not being Preference Shares which carry rights in the company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being preference shares.</p>
Commission for placing shares, debentures etc.	15	<p>1 Subject to the provisions of section 76 of the Act, the company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any</p>

		<p>shares, debentures or debenture-stock of the company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the company but so that the statutory conditions and requirements shall be observed and complied with the amount of rate of commission shall not exceed five percent of the price at which the share are issued and in case of debentures the rate of commission shall not exceed two and a half percent of the price at which the Debentures are issued.</p> <p>2 The Company may also, on any issue, pay such brokerage as may be lawful.</p>
Issue other than for cash	16	<p>1 The Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred goods or machinery and appliances supplied or for services rendered to the company in or about the formation and promotion of the Company or the acquisition and/or conduct of its business and any shares which may be so allotted, may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid up shares.</p> <p>2 The said power vested in the Board by this Article shall not be exercised except by the unanimous consent of all the Directors or with the previous sanction of a special resolution passed at a general meeting of the company.</p> <p>3 Where two or more persons are registered as joint holders on any share they shall be deemed to hold the same as joint tenants with benefit of survivorship, subject to the following provisions:</p> <p>a) the person whose name stands first on the register in respect of such share shall alone be entitled to delivery of certificate thereof.</p> <p>b) Any one of such persons may give effectual receipts for any dividend, bonus or return of capital payable in respect of such share, and such joint holders shall be severally, as well as jointly, liable for payment of all installments and calls due in respect of such share/shares.</p> <p>c) Any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he was solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of said persons so present whose names stands first on the register in respect of such shares, shall along be entitled to vote in respect thereof. Several executors or administrators, of a deceased member in whose names any share stand shall for the purpose of this Article, be deemed joint holders, thereof.</p> <p>d) In case of death of any or more of such joint holders, the survivors shall be the only persons, recognized by the Company as having any title to or interest in such share, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.</p> <p>e) All notices directed to be given to the members shall be given to whichever such persons is named first in the register, and notice so given shall be sufficient notice to all the holders of such shares.</p>
Directors may Allot Shares as Fully Paid	17	<p>Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company on</p>

Up		payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or, machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.
Same as Original Capital	18	Except so far as otherwise provided by the conditions of Issue or by these presents any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.
Unclassified Shares	19	Any unclassified shares (whether forming part of the original capital or of any increased capital of the Company) may subject to the provisions of the Act and these presents be issued either with the sanction of the Company in General Meeting or by the Directors and upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting sanctioning the issue of such shares be directed and, if no such direction be given and in all other cases, as the Directors shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and if distribution of the assets of the Company and any' preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed provided however that (1) no shares shall be issued pursuant to this Article without the sanction of the Company in General Meeting unless they shall subject to the provisions of Section 81 of the Act be offered to the persons who are holders of equity shares of the Company in proportion, as nearly as circumstances admit to the capital paid up on those shares and (2) no unclassified shares shall without the sanction of the Company in General Meeting be issued as preference shares if the aggregate nominal amount of issued preference shares would thereby exceed the aggregate nominal amount of the issued equity shares of the Company.
Power to Issue Redeemable Preference Shares	20	(a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares which are or at the option of the Company are to be liable to be redeemed: Provided that: (i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption; (ii) no such shares shall be redeemed unless they are fully paid; (iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed; (iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for, dividend, be transferred to be a reserve fund, to be called "the capital redemption reserve account a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act,

		<p>apply if the capital redemption reserve account were paid up share capital of the Company.</p> <p>(b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.</p> <p>(c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its authorised share capital.</p> <p>(d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly, the share capital of the Company shall not, for the purpose of calculating the fees payable Under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause Provided that where new shares are issued before redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.</p> <p>(e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un issued shares of the Company to be issued to members of the Company as fully paid bonus shares.</p>
Provision in Case of Redemption of Preference Shares	21	<p>The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months' previous notice in writing to the holders of the preference shares to redeem at par the Whole or part of the preference shares for the time being outstanding by payment of the nominal amount thereof with dividend calculated up to the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in case of redemption of part of the preference shares the following provisions shall take effect:</p> <p>(a) The shares to be redeemed shall be determined by drawing of lots which the company shall cause to be made at its registered office or at such other place as the Directors may decide, in the presence of one Director at least; and</p> <p>(b) Forthwith after every such drawing, the Company shall notify to the shareholder whose shares have been drawn for redemption its intention to redeem such shares by payment at the registered office of the Company or at such other place as the directors may decide at the time and on the date to be named against surrender of the Certificates in respect of the Shares to be redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the</p>

		<p>Shares to be redeemed and thereupon the Company shall pay the amount payable to the shareholders in respect of such redemption. The Shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate there for.</p> <p>(c) Subject to the provisions of Section 180 of the Act, the following provisions shall apply in regard to the redemption of the Cumulative Preference Shares,</p> <p>(i) The Company may within such time as may be specified in these Articles by an amendment thereof from the date of issue of the shares, apply any; profits or moneys of the Company which may be lawfully applied for the purpose in the redemption of the preference shares at par, together with a sum equal to arrears of dividend thereon drawn to the date of redemption.</p> <p>(ii) In the case of any partial redemption under sub-clause(c) (i) of the Article, the Company shall for the purpose of ascertaining the particular shares to be redeemed, cause a drawal to be made at the Registered Office or at such other place as the Directors may decide, in the presence of a representative of the Auditors for the time being of the Company.</p> <p>(iii) Forthwith after every such drawal the Company shall give to the holders of the shares drawn for redemption notice in writing of the Company's intention to redeem the same fixing a time (not less than three months thereafter) and the place for redemption and surrender of the shares to be redeemed.</p> <p>(iv) At the time and place so fixed each holder shall be bound to surrender to the Company the certificate for his shares to be redeemed payable in respect of such redemption and where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.</p> <p>(v) Any of the Redeemable Cumulative Preference Shares not previously redeemed under the foregoing provisions shall be redeemed at the expiry of 5 years from the date of the issue of the shares at par together with all arrears of the dividend thereon (whether earned or declared or not up to the date).</p> <p>(d) Subject to the provisions of the Articles, the Company shall be entitled to create and issue further Preference Shares ranking in all or any respects pari passu with the preference shares then outstanding, PROVIDED in the event of its creating, and/or issuing further preference shares ranking pari passu with the Preference Shares then outstanding the Company would do so only with the consent of the holders of not less than three-fourths of the preference shares then outstanding.</p> <p>(e) The Redeemable Cumulative Preference Shares shall not confer upon the holders thereof the right to vote their in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 87 (2) of the Act.</p> <p>(f) The rights, privileges and conditions for the time being attached to the Redeemable Cumulative Preference Shares may be varied,</p>
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		modified or abrogated in accordance with the provisions of these Articles and of the Act.
Cumulative Convertible Preference Shares	22	<p>Subject to the provisions of the Act and the guidelines issued by the Central Government from time to time under the provisions of the Act and/or the provisions of the Capital Issues (Control) Act, 1947, the Company may issue Cumulative Convertible Preference Shares (CCP) in such manner as the Board of Directors of the Company may decide and specifically provide for:</p> <p>(i) the Quantum of issue;</p> <p>(ii) the terms of the issue with particular reference to the conversion of CCP into the equity shares of the Company;</p> <p>(iii) the rate of cumulative preferential dividend payable on CCP, the voting rights to be attached to CCP and any other terms and conditions which may be attached to the issue of CCP and as permissible in law.</p>
Reduction of Capital	23	<p>The Company may from time to time by special resolution, subject to confirm by the Court and subject to the provisions of Sections 78, 80 and 100 to 104 of Act, reduce its share capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorized by law in particular with prejudice to the generality of the foregoing power may by;</p> <p>(a) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up;</p> <p>(b) either with or without extinguishing or reducing liability on any of its share cancel paid up share capital which is lost or is unrepresented by available asset or</p> <p>(c) either with or without extinguishing or reducing liability on any of shares, payoff any paid up share capital which is in excess of the wants of the Company and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.</p>
Division, Sub-division, Consolidation, Conversion and Cancellation of Shares	24	<p>Subject to the provisions of Section 94 of the Act, the Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as folio that is to say; it may;</p> <p>(a) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares</p> <p>(b) sub-divide its shares or any of them into shares of smaller amount than original fixed by the Memorandum subject nevertheless to the provisions of the Act that behalf and so however that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share- from which the reduced share derived; and so that as between the holders of the shares resulting from subdivision one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares</p> <p>(c) convert, all or any of its fully paid up shares into stock, and re-convert the stock into fully paid up shares of any denomination</p> <p>(d) cancel, shares which at the date of such general meeting have</p>

		not been take or agreed to be taken by any person, and diminish the amount of its share capital, by the amount of the shares so cancelled.
Notice to Registrar of Consolidation of Share Capital, Conversion of Shares into Stock etc.	25	<p>(a) If the Company has :</p> <p>(i) Consolidated and divided its share capital into shares of larger amount than its existing shares</p> <p>(ii) converted any shares into stocks;</p> <p>(iii) re-converted any stock into shares;</p> <p>(iv) sub-divided its share or any of them:</p> <p>(v) redeemed any redeemable preference shares; or</p> <p>(vi) cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act.</p> <p>The Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks re-converted.</p> <p>(b) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.</p>
Modification of Rights	26	If at any time the share capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed to separate general meeting of the holders the shares of that class. This Article shall not derogate from any power which the Company would have if this Article were omitted. The provisions of these Articles relating to general meeting shall mutatis mutandis apply to every such separate meeting but so that .if at any adjourned meeting of such holders a quorum as defined in Articles 103 is not present, those persons who are present shall be the quorum.

SHARES/DEBENTURES AND CERTIFICATES

Title of Article	Article Number	Contents
Issue of share certificates	27	<p>(1) Every certificate of title to shares shall be issued under the seal of the Company, Every share certificate and every document of title to the shares whether in renewal of an existing share certificate or other document of title or issued for the first time shall be issued under the authority of the Board of Directors and in accordance with the provisions of the Companies (issue of share certificates) Rules, 1960 or any modification thereof and in accordance with the provisions of the law or other rule having the force of the law applicable thereto.</p> <p>(2) Every person whose name is entered as a member in the register shall be entitled to receive without payment:</p> <p>a) One certificates for all his shares; or</p>

		<p>b) Where the shares so allotted any one time exceed the number of shares fixed as marketable lot in accordance with the usages of the Stock Exchange, than at the request of the share holders, several certificates one each per marketable lot and one for the balance.</p> <p>(3) No fee shall be charged for the issue of the new share certificates either for the sub division of the existing share certificates or for the consolidation of several share certificates into one or for the issue of fresh share certificates in lieu of share certificates on the back of which there is no space for endorsement, for transfer or for registration of any probate, Letters of Administration, Succession Certificate or like document or for registration of any Power of Attorney, Partnership Deed, Memorandum and Articles of the companies or other similar documents.</p>
Limitation of Time of Issue of Certificate	28	<p>Every member shall be entitled, without payment, to one or more Certificates in marketable lots for all the shares of each class or denomination registered in his name, or if so directors approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such Certificates within three months from the date of allotment, unless the condition of issue thereof otherwise provide, or within two months of the transfer, transmission, sub-division, consolidation of renewal of any of its shares as the case may be. Every Certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors shall prescribe or approve provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue. One than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient, delivery to all such holders.</p>
One certificate for joint holders	29	<p>In respect of any share held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders subject as aforesaid the joint holders shall be entitled to apply for several certificates each for one or more shares held by them in accordance with Article 17 above.</p>
Endorsement of Transfer	30	<p>In respect of any transfer of shares-registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars, on the existing share certificate and authorize any Director or Officer of the company to authenticate such endorsement on behalf of the company or direct the issue fresh share certificate, in lieu of and in cancellation of the existing certificate, in the name of the transferee.</p>
Enforcing of lien by sale	31	<p>For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit but no sale shall be made until the expiration of the 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being, or to the person entitled to the shares by reason of the death or insolvency of the registered holder.</p>

Authority to transfer	32	To give effect to such sale, the Board of directors may authorise some person to transfer the shares sold to the purchaser thereof and 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 to in reference to the sale.
Application of proceeds of sale	33	1) The net proceeds of any such 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. 2) The residue, if any, shall, subject to the like lien for sums, not presently payable as existed upon the shares before the sale, be paid to the persons entitled to the shares at the date of the sale.
Application of the money due to a shareholder	34	Any money due from the company to a shareholder, may without the consent of such shareholder, be applied by the company in or towards payment of any money due from him, either alone or jointly with any other person to the company in respect of the calls or otherwise.
Provisions of Sections 85 to 88 of the Act to apply	35	The provisions of Sections 85 to 88 of the Act in so far as the same may, be applicable shall be observed by the company Register of Members and Debenture holders.
	36	(a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and: Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture holders in accordance with Section 157 of the Act. (b) The Company shall also comply with the provisions of Sections 159 and 161 of the Act as to filing of Annual Returns. (c) The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, indexes, copies of Annual Returns and giving inspections thereof and furnishing copies thereof.
Restriction on Allotment	37	The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.
Shares to be numbered progressively and no share to be subdivided	38	The shares in the capital shall be numbered progressively according to the several denominations and except in the manner herein before mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
Shares at the Disposal of the Directors	39	Subject to the provisions of Section 81 of the Act and these Articles the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person the option to call for any shares either at par or at a

		<p>premium during such time and for such consideration as the Directors may think fit, and may issue and a lot shares in the Capital of the Company on payment in full or part for any property sold and transferred or for services rendered to the company in the conduct of its business, and any shares which may be allotted may be issued as fully paid up shares and ,if so issued, shall be deemed to be fully paid shares and if so issued shall be deemed fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without sanction of the Company in the General Meetings.</p>
Every Share Transferable etc	40	<p>(i) The shares or other Interest of any member in the Company shall be movable property, transferable in the manner provided by these Articles.</p> <p>(ii) Each share in the Company shall be distinguished by its appropriate number.</p> <p>(iii) A Certificate under the Common Seal of the Company; specifying any shares held by any member shall be, prima facie, evidence of the title of the member of such shares.</p>
Application of Premium Received on Issue of shares	41	<p>(a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of value of the premium on those shares shall be transferred to an account to be called lithe share premium account and the provisions of the Act relating to the reduction of the Share Capital of the Company shell except as provided in this Article, apply as if the share premium account were paid up share capital of the Company.</p> <p>(b) The share premium account may; notwithstanding, anything in clause (a) above, be applied by the, Company:</p> <p>(i) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;</p> <p>(ii) in writing off the preliminary expenses of the Company;</p> <p>(iii) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or</p> <p>(iv) in providing for the premium payable on the redemption of any redeemable preference shares or any debentures of the Company.</p>
Sale of Fractional Shares	42	<p>If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any shares are held by members in fractions, the Directors shall, subject to the provisions of the Act and these Articles if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see the applications of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>
Acceptance of Shares	43	<p>An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a member, The Directors shall comply with the provisions of Sections 69, 70, 71, 72 and 73 of the Act in so far as they are applicable.</p>

Deposits and Calls etc. to be a Debt Payable Immediately	44	The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, immediately, on the insertion of the name of the holder of such shares, become a debt, due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
Company not Bound to Recognize any Interest in Shares other than of Registered Holder	45	Save as herein provided, the Company shall be entitled to treat the person whose name appears of the Register of Members as the holder of any share as the absolute owner thereof, and accordingly shall not except as ordered by a Court competent jurisdiction or as by law required be bound to recognise any benami or partial or other claim or claims or right to or Interest In such share on the pari pasu of any other person whether-or not it shall have express or implied notice thereof and the provisions of Section 153 of the Act shall apply.
Declarations of Person not Holding Interest in Shares	46	When any declaration is filled with the Company under the provisions of Section 187C of the Act by any, holder of shares who does not hold beneficial interest in such shares specifying the particulars of the person holding beneficial interest in such shares or by a person who holds beneficial-interest in any shares of the Company but is not the registered holder of the Company shall make note of such declaration in its register of members and file, within 30 days from the date of receipt of the declaration by it, a return with the registrar, with regard to such declaration.
Issue of Certificates of Shares to be Governed by Section 84 of the Act etc.	47	<p>(a) "Shares/Debenture Certificates shall be issued in marketable lots where share debenture certificates are issued for either more or less than marketable lots, sub- division/consolidation into marketable lots shall be done free of charge.</p> <p>The issue of certificates of shares or of duplicate or renewal of certificates of shares shall be governed, by the provisions of Section 84 and the provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any stock exchange where the shares of the Company may be listed for the time being.</p> <p>(b) The Certificate of title of shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorised persons as may be prescribed by Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons at the Directors may determine from time to time.</p> <p>(c) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 84 of the Act.</p>
Common Form of transfer	48	A common form of transfer, shall be used, for transfer for, its Shares and/or Debentures.
Issue of new Certificates in Place of one Defaced Lost or Destroyed	49	If any certificate be worn out, defaced, mutilated or torn if there be no, further space on the back hereof for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu, thereof, and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company

		<p>deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificate under this Article shall be issued without payment of fees (not exceeding Rs.2/-for each certificate) as the directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rule made under the Act or the Rules made under Securities Contract (Regulation) Act, 1956 or any other Act, on Rules applicable in this behalf.</p> <p>The provisions of the Article under this heading shall mutatis mutandis apply to debentures of the Company.</p>
Term of issue of debenture	50	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, standing (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>

UNDERWRITING COMMISSION AND BROKERAGE

Title of Article	Article Number	Contents
Power to pay Certain Commission and Prohibition of Payment of All other Commissions Discounts etc	51	<p>(A) The Company may pay a commission to any person in consideration of</p> <p>(i) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in sub-section (4A) of Section 76 of the Act or</p> <p>(ii) his procuring or agreeing to procure subscriptions whether absolute or conditional for any share in or debentures of the Company, if the following conditions are fulfilled namely</p> <p>(a) the commission paid or agreed to be paid does not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures, two and half percent of the price at which the debentures are issued;</p> <p>(b) the amount or rate percent of the commission paid or agreed to be paid, on commission paid or agreed to be paid; on shares on debentures offered to the public for subscription, is disclosed in the Prospectus, and in the case of shares or debentures not offered to the Public for subscription is disclosed in the Statement in lieu of Prospectus and filed before the payment, of the commission with the Registrar and where a circular or notice not being a prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice</p> <p>(c) the number of shares or debentures which such persons have agreed for a commission to subscribe, absolutely or conditionally is</p>

		<p>disclosed in the manner aforesaid and</p> <p>(d) a copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.</p> <p>(B) Save as aforesaid and save as provided in Section 75 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance to any person in consideration of</p> <p>(i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company, or</p> <p>(ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company, or the money be paid out of the nominal purchase money or contract price, or otherwise.</p> <p>(C) Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.</p> <p>(D) A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company received for payment of any commission, the payment of which, if made directly by the Company would have been legal under Section 76 of the Act.</p> <p>(E) The commission may be paid or satisfied (subject to the provisions of the Act and these articles) in cash, or in shares, debentures or debenture-stock of the Company.</p>
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CALLS ON SHARES

Title of Article	Article Number	Contents
Director may make Calls	52	The Directors may from time to time and subject to Section 91 of the Act and subject to the terms on which any shares/debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board make such calls as they think fit upon the members/debenture- holders in respect of all moneys unpaid on the shares/debenture held by them respectively and each member/debenture holder shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors, A call may be made payable by installments as may be decided by the Board. A call may be postponed revoked as the Board may determine.
Call when deemed to be made	53	The Board of Directors may, when making a call by resolution determine the date on which such call shall be deemed to have been made not being earlier than the date of the resolution making such call, and thereupon the call shall be deemed to have been

		made on the date so determined and if no such date is fixed the call shall be deemed to have been made on the date on which the resolution of the board making the call was passed.
Notice for call	54	Not less than fourteen days notice of any call shall be given specifying the date, time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members or debenture holders to revoke the same.
Directors may Extend Time	55	The Directors may, from time to time, at their discretion, extend the time fixed for the payment of .any call, and may extend such time as to all or any of the members/ debenture holders who on account of residence at a distance or other cause the Directors may deem fairly entitled to such extension, but no member/debenture holder shall be entitled to such extension, save as a matter of grace and favour.
Sums payable at a fixed date to be treated as calls	56	If by the terms of issue of any share or otherwise any amount is made payable at any fixed date or by installments at fixed dates whether on account of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.
Calls to carry interest	57	<p>1) If a sum called in respect of the shares is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at such rate fixed by the Board of Directors from the day appointed for the payment thereof to the time of the actual payment, but the Board of Directors shall be at liberty to waive payment of that interest wholly or in part.</p> <p>2) The provisions of this Article as to payment of interest shall apply in the case of non payment of any sum which by the terms of the issue of a share becomes payable at a fixed date, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.</p>
Payment in Anticipation of calls may carry Interest	58	<p>The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the money due upon the shares held by him, beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, to the 'member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends or to any voting rights. The Directors may at any time repay the amount so advanced.</p> <p>The member shall not however be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.</p> <p>The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.</p>
Installment on Shares to be Duly Paid	59	If by the condition of allotment of any shares the whole or part of the amount of issue price thereof shall be payable by installment every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

Calls on Shares of the Same Class to be made on Uniform Basis	60	Where any calls for further Share Capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. Explanation: For the purpose of this provision, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class
Liability of Joint Holders of Shares	61	The joint holders of a share shall be severally as well as jointly liability for the payment of all installments and calls due in respect of such shares.
When Interest on Call or Installment Payable	62	If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being or allotted of the share in respect of which a call shall have been made or the installment shall be due, shall pay interest as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.
Proof on Trial of Suit for Money due on Shares	63	On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered and that the resolution making the call is duly recorded in the Minutes Book; and that the notice of such call was duly given to the member or his representatives, sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such calls nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Partial payment not to preclude forfeiture	64	Neither a judgment nor a decree in the favour of the company, for calls or other moneys due in respect of any share nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member in respect of any share either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall, be payable by installments, every such installment shall, when due, be paid to the company by the person who for the time being and from time to time shall be registered holder of the share or his legal representative or representatives if any.

LIEN

Title of Article	Article Number	Contents
Company lien on Shares/Debentures	65	The Company shall have a first and paramount lien upon all the shares and/or debentures (Other than fully paid-up shares and/or debentures) registered to the name of each Member And / or debenture holder (whether held singly or jointly with others) in respect of all moneys Called or payable at a fixed time in respect of such shares whether the time for payment thereof shall have actually arrived or not and shall extend to all dividends, interest rights and bonuses from time to time declared in respect of such shares and/or debentures, Unless otherwise agreed the registration of transfer of shares and/or debentures shall operate as a waiver of Company's lien, if any, on such shares and/or debentures, The Directors may at any time declare any share and/ or debenture wholly or in part exempt from the provisions of this Clause.
As to Enforcing lien by sale	66	For the purpose of enforcing such lien, the Board may sell the shares! debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and/or debentures and may authorise one of their members or appoint any officer or Agent to execute a transfer thereof on behalf of and in the name of such member/ debenture holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice of at least 30 days in writing of the intention to sell shall have been served on such member and/or debenture holder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
Application of Proceeds of Sale	67	<p>(a) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares and/or debentures at the date of the sale.</p> <p>(b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such snares or debentures .on the part of any other person. The Company's lien shall prevail not withstanding that it has received notice of any such claims.</p>

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number	Contents
Register of Transfer of Shares or Debenture	68	The Company shall keep a book to be called the Register of transfers and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Procedure as to transfer of shares	69	<p>1) The instrument of transfer of any shares in the company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of the members in respect thereof only one class of the shares and should be in the form prescribed under Section 108 to the Act.</p> <p>2) The Board of Directors shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate relating to the shares and such other evidence as the Company may require to prove the title of the transfer or his right to transfer the shares. Provided that it is proved to the satisfaction of the Board of Directors that an instrument of transfer signed by the transferor and the transferee has been lost, the Company, may, if the Board of Directors thinks fit, on an application in writing made by the transferee and bearing the stamp required on an instrument of transfer, register the transfer on such terms as to indemnity, as the Board of Directors may think fit.</p> <p>3) An application for the registration of the transfer of any share or shares may be made either by the transferor or by the transferee, provided that where such application is made by the transferor no registration shall in the case of partly paid shares be effected unless the Company give notice of the application to the transferee and the Company shall unless objection is made, by the transferee, within two weeks from the date of the receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application was Registration was made by the transferee.</p> <p>4) For the purpose of sub-clause (3) notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of the post.</p> <p>5) Nothing in clause (4) shall prejudice any power of the board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.</p> <p>6) Nothing in this Article shall prejudice to the power of the Board of Directors to refuse to register the transfer of any shares to the transferee, whether a member or not.</p>
Instrument of Transfer	70	The instrument of transfer shall be in writing and all the provisions of section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
Instrument of Transfer to be executed by Transferor and Transferee	71	Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.
Directors may refuse to register transfer	72	Subject to the provisions of Section 111A these Articles and other applicable provisions of the Act or any other law for the time being

		in force, the board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, Any shares or interest of a member in or debentures of the company. The company shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer 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 when the Company has a lien on the shares.
Intimation of Refusal	73	<p>1) If the Board refuses to register any transfer or transmission of right, they shall within one month from the date on which the instrument of transfer or intimation of such transmission was delivered to the company send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal.</p> <p>2) In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by the section, 111 of the Act.</p> <p>3) The provisions of this clause shall apply to transfers of stock also.</p>
Endorsement of transfer and issue of certificate	74	<p>1) Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Managing Director or by some other person for the time being duly authorized by the Managing Director in this behalf. In case any transferee of a share shall apply for a new certificate in lieu of old or existing certificate he shall be entitled to receive a new certificate in respect of which the said transfer has been applied for and upon his delivering up to cancelled every old or existing certificate which is to be replaced by a new one.</p> <p>2) Notwithstanding any other provisions to the contrary in these presents, no fee shall be charged for any of the following, viz.</p> <p>a) for registration of transfers of shares and debentures, or for transmission of shares and debentures;</p> <p>b) for sub division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading;</p> <p>c) for sub-division of renounceable Letters of Right;</p> <p>d) for issue of certificate in replacement of those which are old decrepit or worn out, or where the pages on the reverse for recording transfers has been utilised;</p> <p>e) for registration of any power of attorney, probate, letters of administration or similar other documents.</p>

Register of members	75	The Company shall keep a book to be called the "Register of Members" and therein shall be entered the particulars of every transfer or transmission of any shares and all other particulars of shares required by the Act to be entered in such register.
Custody of Instrument of Transfer	76	The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.
Transfer to Minors etc.	77	Only fully paid shares or debentures shall be transferred a minor acting through his/her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.
Closure of Register of members	78	The Board of Directors may after giving not less than 7 days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situate close the Register of Members or Register of Debenture Holders for any period or periods not exceeding in aggregate 45 days in each year but not exceeding 30 days at any one time.
Transmission of Registered Shares	79	<p>1) The executors or administrators of deceased member (not being one of several joint holders) shall be the only person recognised by the Company as having and title to the shares registered in the name of such members and in the case of death of anyone or more of the joint holders of any registered shares, the survivors shall be the only person recognized by the Company as having any title to the shares registered in the name of such members and in the case of death of anyone or more of the joint holders of any registered shares, the survivors shall be the only person recognised by the Company as having any title to or interest in such shares.</p> <p>Provided that if the member should have been a member of the joint Hindu family the Board on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belong to the joint family may recognise the survivors or the karta thereof as having title to the shares registered in the name of such members. Provided further in any case it shall be lawful for the Board in their absolute discretion to dispense with the production of probate or letters of administration or other legal representation upon such terms as to indemnity or otherwise as the board may deem just.</p> <p>2) Nothing in clause (1) shall release the estate of the deceased joint holder from any liability in respect of any shares which were jointly held by them with other persons.</p>
Rights and liabilities of legal representatives	80	<p>1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as hereinafter provided, elect either;</p> <p>a) to be registered himself as holder of the shares; or b) to make such transfer or the shares as the deceased or insolvent member could have made.</p> <p>2) The Board shall, in either case, have the same right to decline or suspend registration as they would have had, if the deceased or</p>

		insolvent member had transferred the shares before his death or insolvency.
Title to Share of Deceased Holder	81	The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a Succession Certificate or the legal representative of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognize as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or the legal representatives unless they shall have first obtained probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary and under Article 77 register the name of any person who claims to be absolutely entitled to the shares standing in the name of deceased member, as a member.
Registration of Persons Entitled to Share Otherwise than by Transfer	82	<p>(a) Subject to the provisions of Article 88 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in, respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.</p> <p>(b) A transfer of the share or other interest in the Company of a deceased member .thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.</p>
Claimant to be Entitled to Same Advantage	83	The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares 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 the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board shall thereafter withhold of all dividends, interests, bonuses or other moneys payable in respect of the share until to requirements of the notice have been complied with.

Persons Entitled may Receive Dividend without being registered as Member	84	<p>(a) A person entitled to a share by transmission shall, subject to the rights of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give discharge for any dividends, bonuses or other moneys payable in respect of the share debenture.</p> <p>(b) This Article shall not prejudice the provisions of Articles of 66 and 106.</p>
Refusal to Register Nominee	85	The Directors shall have the same right to refuse on legal grounds to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
Directors may require Evidence of Transmission	86	Every transmission of a share shall be verified in such manner as the, Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
No Fee on Transfer, Transmission /Subdivision Consolidation of Shares and Debentures	87	<p>(a) The Company shall not make any charge:</p> <p>(i) For registration of transfers or transmission of Shares and Debentures;</p> <p>(ii) For sub-division and/or consolidation of Shares and/or Debenture Certificates and for sub-division of letter of Allotment and Split, Consolidation, Renewal and Transfer Receipts into denominations corresponding to the Market units of trading;</p> <p>(iii) For sub-division of renounce able letters of Right;</p> <p>(iv) For issue of new certificate in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised.</p> <p>(v) For registration of any Power of Attorney, Probate, Letters of Administration, Succession certificate, certificate of death or marriage, or similar other documents.</p> <p>(b) The Company shall not charge any fees exceeding those which may be agreed upon with the Stock Exchange:</p> <p>(i) For Issue of new certificates in replacement of those that are torn, defaced, lost or destroyed.</p> <p>(ii) For sub-division and consolidation of Shares and Debentures Certificates and for sub-division of Letters of Allotment and Split, Consolidation, Renewal and Receipts into denominations' other than those fixed for the market units of trading.</p>
The Company not liable for Disregard of a Notice Prohibiting Registration of	88	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner there or (as shown or appearing in the Register of members) to the prejudice or persons having or claiming any equitable right, title or

Transfer		interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such, transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, thought it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect ,thereto if the Directors shall so think fit.
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JOINT HOLDERS

Title of Article	Article Number	Contents
Not more than Three Persons as Joint Holders	89	The Company shall be entitled to decline to register more than three persons as the holders of any shares. The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law of debenture of the Company.
Joint Holders	90	<p>Where two or more persons are registered as the holders of any share/ debenture, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.</p> <p>(a) In the case of a transfer of share/ debenture held by joint holders, the transfer will be effective only if it is made by all the joint holders.</p> <p>(b) The Joint holder of any share/debenture shall be liable severally as well as jointly \ for and in respect of air calls or instalments and other payments which ought to be made in respect of such share/debenture.</p> <p>(c) On the death of anyone or more of such joint holders the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share/debenture, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to, release the estate of a deceased joint holder from any liability on share/debentures held by him jointly with any other person.</p> <p>(d) Anyone of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share/debenture.</p> <p>(e) Only the person whose name stands first in the Register of Members Debenture holders as one of the joint holders of any share/debentures shall be entitled to the delivery of the certificate relating to such share/ debenture or to receive notice (which expression shall be deemed to include all documents as defined in Article (2) hereof and any document served on or sent to such</p>

		<p>person shall be deemed service on at the joint holders.</p> <p>(f) (i) Anyone of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher as the case may be on the Register in respect of such share shall at one be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint-holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by Attorney or by proxy although the name of such joint-holder present by an Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this clause be deemed joint holders.</p>
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DEVOLUTION OF RIGHTS

Title of Article	Article Number	Contents
Notice of Election by legal representatives	91	<p>1) If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the company a notice in writing by him stating that he so elects.</p> <p>2) If the person aforesaid shall elect to transfer the share he shall testify his election by executing a transfer of the shares.</p> <p>3) All the limitations, restrictions and provision of these regulations to the rights to transfer and the registration of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of the transfer were a transfer signed by that member.</p> <p>4) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he 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 transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares, until the requirements of the notice have been complied with.</p>
Company's right to register by apparent legal owner	92	The Company shall incur no liability or responsibility whatever in consequences of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of

		persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the company may have had notice of such equitable rights or referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to if of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting so to do, through it may have been entered or referred to in the books of the Company, but the Company shall nevertheless be at liberty to have regard and attend to any such notice and give effect thereto, if the Board shall think fit.
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FORFEITURE

Title of Article	Article Number	Contents
If call of installment not paid notice may be given	93	If a member fails to pay any call or installment of a call on the day appointed for the payment thereof, the Board of Directors may at any time thereafter during such time as any part of such a call or installments remains unpaid serve a notice on him requiring payment of so much of the call or installment as unpaid, together with any interest which may have accrued.
Form of notice of forfeiture	94	The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non payment on or before the any named, the shares in respect of which the call was made will be liable to be forfeited.
Board's right to forfeit if requirements of notice are not complied with	95	If the requirement of any such notice as aforementioned 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 Board of Directors to that effect, such forfeiture shall include all dividends declared in respect of the forfeited shares are not actually paid before the forfeiture.
Entry of Forfeiture in Register of Members/Debenture holders	96	When any shares debentures shall have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder in whose name in stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof shall forthwith be made in the Register of members or debenture holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
Forfeited Share/Debenture to be Property of Company and may be sold	97	Any share or debenture so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder or to any other 'person upon such terms and in such manner as the Directors shall think fit
Liability after forfeiture	98	A person whose shares have been forfeited shall ceases to be a member in respect of the forfeited share but shall notwithstanding remain liable to pay and shall forthwith pay the company all moneys which at the date of the forfeiture were presently payable by him to the company in respect of the shares but his liability shall cease if and when the company received payment in full of the nominal amount of the shares whether legal proceedings for the recovery of

		the same had been barred by the limitation or not.
Declaration of forfeiture	99	A duly verified declaration in writing that the declarant is the Director of the Company and that a share in the company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and that declaration and the receipt of the company for the consideration if any given for the shares on the sale or disposition thereof shall constitute a good title to the shares, and the person to whom the shares is sold or disposed off shall be registered as the holder of the share and shall not be bound to see the application of the purchase money (if any) nor shall his title to the share be effected by way of irregularity or invalidity in the proceedings reference to the forfeiture sale or disposal of the share.
Non payment of sums payable at fixed times	100	The provisions of these Regulations as to forfeiture, shall apply in the case of non-payment of any sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.
Power to Annual Forfeiture	101	The Directors may, at any time, before any shares or debentures so forfeited shall have been sold, re-allotted or otherwise disposed of, annul forfeiture thereof upon such conditions as they think fit, Shareholders or Debenture holders still be liable to pay Money Owing at Time of Forfeiture and Interest.
	102	Any member or debenture holder whose shares or debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, interest, expenses and other money owing, upon or in respect of such, shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.
Effect of Forfeiture	103	The forfeiture of a share or a debenture shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share or debenture and all other rights incidental to the share or debenture, except only such of these rights as by these Articles are expressly
Certificate of Forfeiture	104	A Certificate in writing under the hand of one Director and countersigned but the Secretary or any other Officer authorized by the Directors for the purpose, that the call in respect of a share or debenture was made and notice thereof given and that default in payment of the call was made that the forfeiture of the share or debenture was made by a resolution of Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.
Validity of Sales	105	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers here in above given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the Register of members or Register of debenture holders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register of

		members or debenture holders in respect of such shares or debenture the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be, for damages only and against the Company exclusively.
Cancellation of Share/Debenture Certificate in Respect of Forfeited shares/Debentures	106	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificates originally issued in respect of the relative shares or debentures' shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member or debenture holder) stand cancelled and become null and void and be of no effect, and the directors shall be entitled to issue a duplicate certificate/s in respect of the said share or debentures to the person/s entitled thereto.
Title of Purchaser and Allotted of Forfeited Shares/Debentures	107	The Company may receive the consideration, if any, given for the share or debenture on any sale, re-allotment or other disposed on. thereof, and the person to whom such share or debenture is sold, re-allotted or disposed of may be registered as the holder of the share of debenture and shall not be bound to see to the application of the' consideration, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share or debenture.
Surrender of Shares or Debenture	108	The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debenture holder desirous of surrendering them on such terms as they think fit.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article Number	Contents
Conversion of shares	109	The Company may by ordinary resolution convert all or any of its fully paid up shares of any denomination into stock and vice versa. The Company in general meeting may convert any paid up share into stock and when any share shall have been converted into stock the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near there to as circumstances will admit. The Company may at any time reconvert any stock in to paid up share of any denomination.
Transfer of stock	110	The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. Provided 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.
Right to Stock Holders	111	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 not such privileges or advantages, except participation in the dividends and

		profits of the Company and in the assets on winding up shall be conferred by any amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
Regulations applicable to shares (paid-up) apply to stock or stockholders	112	Such of the regulation contained in these presents (other than those relating to the share warrants) as are applicable to paid up shares shall apply to stock and the words 'share' and 'shareholder' in these presents shall include 'stock' and 'stockholder' respectively.

ALTERATION OF CAPITAL

Title of Article	Article Number	Contents
Alteration and consolidation of Capital	113	<p>The Company may from time to time but subject to the provisions of section 94 of the Act, alter the conditions of its Memorandum as follows:</p> <ul style="list-style-type: none"> a) Increase its share capital by such amount as it thinks expedients by issuing new shares; 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 reconvert that stock into fully paid up shares of any denominations; d) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division of proportion between the amount If any, unpaid on each reduced shares shall be the same as it was in the case of the share from which shares are derived; e) Cancel any shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; f) The resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of such shares shall have same preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the others.
Application of provision to new shares	114	The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture, and otherwise as the shares In the original share capital.
Reduction of Capital etc. by the Company	115	<p>The Company may subject to confirmation by the court by Special Resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by the law;</p> <ul style="list-style-type: none"> a) its share capital b) any capital redemption reserve account or c) any share premium account.

SHARE WARRANTS

Title of Article	Article Number	Contents
Issue of Share Warrants	116	<p>1) The Company may issue share warrants subject to and in accordance with provisions of Section 114 & 115 of the Act and accordingly, the Board may in their discretion, with respect to any shares registered as fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence, if any, as the board may, from time to time require as to the identity of the person signing the application and on receiving the certificate if any of the shares and the amount of the stamp duty on the warrant and such fee as the Board may from time to time prescribe, issue a share warrant and may provide by coupons or otherwise for the payment of the dividends on the shares specified in the share warrant.</p> <p>2) A share warrant shall entitle the bearer to the shares included in it and the shares shall be transferred by the delivery of the share warrant and the provisions of the Articles of the Company with respect to transfer and transmission of shares shall not apply thereto.</p> <p>3) The bearer of a share warrant shall on surrender of the warrant to the Company for cancellation and on payment of such fees as the Board may from time to time prescribe, be entitled to have his name entered a member in the Register of Members in respect of the shares included in the warrant.</p>
Requisition of Meeting by Bearer of share warrants	117	<p>1) The bearer of share warrant may at any time deposit the warrant at the Registered Office of the Company and so long as the warrant remains so deposited the depositor shall have the same rights of signing a requisition for calling a meeting of the company and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposits as if his name were inserted in the Register of Members as the holder of the shares included in the deposit warrant.</p> <p>2) Not more than one person shall be recognised as depositor of the share Warrant.</p> <p>3) The Company shall on two days written notice return the deposited share warrant to the depositor.</p>
Disabilities of holders Privileges and Disabilities of the Holders of the Share Warrant	118	<p>1) Subject as herein otherwise expressly provided, no person shall as bearer of a share warrant sign a requisition for calling a meeting of the company or attend or vote or exercise any other privileges of the members at meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>2) The bearer of a share warrant shall be entitled in all other respects the same privileges and advantages as if he was named in the Register of Members as the holder of the share included in the warrant and he shall be member of the Company.</p>
Renewal	119	The Board may from time to time make rules as to the terms on which if they shall think fit, a new warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original warrant or coupon.

STATUTORY MEETING

Title of Article	Article Number	Contents
Statutory Meeting	120	<p>1) The Company shall within a period of not less than one month nor more than six months from the date at which the Company is entitled to commence business hold a General Meeting of the Members of the Company which shall be called the Statutory Meeting.</p> <p>2) The Board of Directors shall, not less than 21 days before the date on which the meeting is held, forward report called the Statutory Report to every member of the Company Provided that if the Statutory Report is forwarded later than is required above, it shall, notwithstanding the fact, be deemed to have been only forwarded if it is so agreed to by all the members entitled to vote at the meeting.</p> <p>3) The Board of Directors shall comply with the provisions of section 165 in connection therewith.</p>

GENERAL MEETINGS

Title of Article	Article Number	Contents
Annual General Meeting	121	<p>The Company shall in addition to other meetings hold a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions specified below:</p> <p>a) The first Annual General Meeting of the Company shall be held within eighteen months of its incorporation.</p> <p>b) Thereafter an Annual General Meeting of the Company shall be held once in every calendar year within six months after the expiry of each financial year, subject however, to the power of the Registrar of Companies to extend the time within which such a meeting can be held for a period not exceeding three months and subject thereto not more than fifteen months shall elapse from the date of one annual general meeting and that of the next.</p> <p>c) Every annual general meeting shall be called for a time during the business hours on a day that is not a public holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate.</p> <p>d) Notice calling such meetings shall specify them as the annual general meeting.</p> <p>e) All other meetings shall be referred to as Extra ordinary General Meetings.</p>
Sections 171 to 186 of the Act shall apply to Meeting	122	Sections 171 to 186 of the Act with such adaptation and modifications, if any as may be prescribed, shall apply with respect to meeting of any class of members or debenture holders of the

		Company in like manner as they would with respect to general meetings of the Company.
Extra-ordinary General meetings.	123	The Board of Directors may whenever they think fit, convene an Extra ordinary General meeting at such time and at such places as they deem fit, Subject to such directions, if any, given by the Board, the Managing Director or the Secretary may convene an Extra ordinary General meeting.
Extra-ordinary General meetings by requisition	124	<p>(a) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extra-ordinary general meeting of the company.</p> <p>(b) The requisition shall set out the matters for the considerations of which the meeting is to be called, shall be signed by requisitions, and shall be deposited at the registered office of the company</p> <p>(c) The requisition may consist of several documents in like forms, each signed by one or more requisitions.</p> <p>(d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one tenth of such of the paid up share capital of the Company as at that date carried the right of voting in regard to that matter.</p> <p>(e) Where two or more distinct matters are specified in the requisition the provisions of clause (d) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.</p> <p>(f) If the Board does not, within twenty one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of these matters then on a 'day not later than forty five days from the date of the deposit of the requisition, the meeting may be called.</p> <p>(i) by the requisitions themselves</p> <p>(ii) by such of the requisitions as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of such of the paid up share capital of the Company as is referred to in clause (d) above whichever is less.</p> <p>Explanation: For the purpose of this clause, the Board shall in the case of a meeting at which Resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice is thereof as is required by sub-section (2) of Section 189 of the Act.</p> <p>(g) A meeting, called under Clause (f) above, by the requisitions or any of them</p> <p>(i) shall be called in the same manner, as nearly as possible as that in which meetings are to be called by the Board; but</p>

		<p>(ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.</p> <p>Explanation: Nothing in Clause (g) (ii) above, shall be deemed to prevent a meeting only commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.</p> <p>(h) Where two or more persons hold any shares or interest in the Company jointly, requisition, or a notice calling a meeting, signed by one or some of them shall, for the purpose of this Article, have the same force and effect as if it had been signed by all of them.</p> <p>(i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p>
Length of notice for calling meeting	125	<p>A General Meeting of the Company may be called by giving not less than 21 clear day's notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded in the case of the Annual General Meeting by all the members entitled to vote there at and in the case of any other meeting by members of the Company holding not less than 95% of that part of the paid up share capital which gives the right to vote on the matters to be considered at the meeting provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for purpose of this Article in respect of the former resolution or resolutions and not in respect of the latter.</p>
Accidental omission to give notice to invalidate meeting	126	<p>The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of, or any resolution passed at such meeting.</p>
Special Business	127	<p>a) All business shall be deemed special that is transacted at an Extra ordinary General Meeting and also that is transacted at the Annual General Meeting with the exception of business relating to;</p> <p>i) The consideration of the accounts, Balance Sheet, Report of the Directors and Auditors;</p> <p>ii) The declaration of dividends;</p> <p>iii) The appointment of Directors in the place of those retiring: and</p> <p>iv) The appointment and fixing of the remuneration of the Auditors.</p> <p>b) Where any items of the business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of the business, including in particular the nature of the concern or interest if any therein of every Director, and the Managing Director, if any, where any item of business</p>

		<p>consist of the according of approval to any document by the meeting, the time and place where such document can be inspected shall be specified in the statement aforesaid.</p> <p>Provided that where any item of special business as aforesaid is to be transacted at the meeting of the Company relates to or affects any other Company, the extent of shares holding interest in that other Company of every Director and Managing director of the company, shall also be set out in the statement if the extent of such share holding interest is not less than 20% of the paid-up share capital of that other Company.</p>
Contents and Manner of Service of Notice and Persons on whom it is to be served	128	<p>(a) Every notice of a meeting of the Company shall specify the place and the day and hour of the, meeting and shall contain a statement of the business to be transected there at.</p> <p>(b) Notice of every meeting of the Company shall be given</p> <p>(i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act;</p> <p>(ii) to the persons entitled to a share in consequence of a deal or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred;</p> <p>(iii) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of any member or members of the Company and</p> <p>(iv) to all the Directors of the Company. Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the Registered Office of the Company under sub Section (3) of Section 53 of the Act, the statement of the material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.</p> <p>(c) The Accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the Meeting.</p>
Explanatory Statement to be Annexed to Notice	129	<p>(A) For the purpose of this Article</p> <p>(i) in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to</p> <p>(a) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors.</p> <p>(b) the declaration of a dividend.</p> <p>(c) the appointment of directors in the place of those, retiring, and</p>

		<p>(d) the appointment of and the fixing of the remuneration of the auditors and</p> <p>(ii) in the case of any other meetings, all business shall be deemed special.</p> <p>(B) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including in particular the nature of the concern of interest, if any, therein of every Director, and the manager, if any.</p> <p>Provided that where any item of special business as aforesaid to: be transacted at a meeting of the Company relates to, or affects, any another Company, the extent of shareholding interest in that' other Company of any such person shall be set out in circumstances specified in the provision to sub-section (2) of section 173 of the Act.</p> <p>(C) Where any item of business consists of the according of approval to, any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.</p>
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PROCEEDINGS AT GENERAL MEETINGS

Title of Article	Article Number	Contents
Quorum	130	Five members personally present shall be a quorum for the general meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business.
If quorum not present when meeting to be dissolved and when to be adjourned.	131	If within half an hour from the time appointed for the meeting a quorum is not present the meeting if called upon by the requisition of members, shall be dissolved, in any other case, it shall stand adjourned to the same day in the next week at the same time and place or such other day and at such other time and place as the Board may determine and if at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meetings the members present shall be a quorum. No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.
Chairman of General Meeting	132	The Chairman, if any, of the Board of Directors shall preside as chairman at every General Meeting of the Company.
When Chairman absent, choice of another to take the chair	133	If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the Directors present shall choose another Director as Chairman and 'if no Directors be present or if all the Directors decline to take the chair then the members present shall choose someone of their number to be Chairman.

Adjournment of Meeting	134	The Chairman may with the consent of any meeting at which a quorum is present (and shall, if so directed by the meeting), adjourn that meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as nearly as may be in the case of original meeting. Save as aforesaid it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.
Adjourned Meeting to Transact Business	135	(a) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum. (b) Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have –been passed on any earlier date.
Question at General Meeting how decided.	136	At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before on the declaration of the results of the show of hands) demanded in accordance with the provision of Section 179 of the Act. Unless a poll is so demanded, a declaration by the chairman, that a resolution, on a show of hands, been carried Unanimously or by a particular majority or lost and an entry to that effect in the book Of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number of the proportion of the votes recorded in favour of, or against that resolution.
Taking of poll of the Act	137	If a poll is duly demanded in accordance with the provisions of the Section 179, it shall be taken in such a manner as the Chairman in accordance with the provisions of the Act' and Section 184 & 185 of the Act direct and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
Chairman to have casting vote	138	In the case of an equality of vote, the Chairman shall, both on a show of hands and a poll, have casting vote in additions to the vote or votes to which he may be entitled to as a member.
In what case poll taken without adjournment	139	A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than 48 hours from the time when demand was made, as the Chairman may direct.

VOTE OF MEMBERS

Title of Article	Article Number	Contents
Voting right of member	140	At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands. 1) Every member holding any equity shares shall have a right to vote in respect of such shares on every resolution placed before the meeting. On a show of hands every such member present in person shall have one vote on a poll, his voting right in respect of his equity

		<p>shares shall be in proportion to his shares of the paid up capital in respect of the equity shares.</p> <p>2) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Sections 187 or 187A of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.</p> <p>3) In the event of the Company issuing any preference shares the holders of such preference shares shall have the voting right set out in that behalf in Section 87 of the Act.</p>
Business may proceed notwithstanding demand for poll	141	A demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person who made the demand.
Voting rights of the joint holders	142	In the case of the joint holders the vote of the first named of such joint holders who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
Proxies permitted on poll	143	On a poll, votes may be given either personally or by proxy.
Restrictions on Exercise of Rights of Members who have not paid Calls etc.	144	<p>(a) No members shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.</p> <p>(b) Where the shares of the Company are held in trust, the voting power in respect of such shares shall be regulated by the provisions of Section 187B of the Act.</p>
Restriction on Exercise of Voting Right in Other cases to be void it	145	A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 134.
Equal Rights of Share Holders	146	Any shareholder whose name is entered in the Register of members for the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.
Voting rights of members of unsound mind and minors	147	A member of unsound mind or in respect of whom an order has been made any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may, on poll, vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or anyone of his guardians or, anyone of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.
Votes in respect of Shares of Deceased or Insolvent Members etc.	148	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposed to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Custody of Instrument	149	If any such instrument of appointment be confirmed to the object of appointing proxy or substitute for voting at meeting of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.
Validity of Votes given by Proxy Notwithstanding Death of Members etc.	150	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the share in respect "Of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.
Time for Objections for Vote	151	No objection shall be made to the validity of any vote except at the meeting or poll may which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purposes or such meeting or poll whatsoever.
Chairman of any Meeting to be the judge of any Vote	152	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
Chairman's Declaration of result of Voting by show of Hands to be Conclusive	153	A declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
Demand for Poll	154	(a) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him or; a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting Power in respect of the resolution or on which an aggregate sum of not less than Fifty Thousand Rupees has been paid up. (b) The demand for a poll may be withdrawn at any time by the person or persons who make the demand.
Demand for Poll not to prevent Transaction of other Business	155	The Demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demand
Time of taking Poll	156	(a) A poll demanded on a question of adjournment shall be taken forthwith. (b) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175 of the, Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.
Right of a Member to use his Votes	157	On a poll taken at a meeting of the Company a member or other Person entitled to vote for him as the case may be, need not, if he

Differently		votes, use all his votes or cast in the same way all the votes he uses.
Scrutinizers at Poll	158	<p>(a) Where a Poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him.</p> <p>(b) The Chairman shall have the power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of scrutinizer arising from such removal or from any other cause.</p> <p>(c) Of the two scrutinizers appointed under this Article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.</p>
Manner of taking Poll and Result thereof	159	<p>(a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.</p> <p>(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.</p>

PROXIES

Title of Article	Article Number	Contents
Proxies	160	Any member entitled to attend and vote at meeting of the Company shall be entitled to appoint any person whether a member or not as his proxy to attend and vote instead of himself, but the proxy so appointed shall not unless he be a member have any right to speak at the meeting and shall not be entitled to vote except on a poll.
Instrument of proxy	161	<p>1) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or if the appointer is the Corporation either under the common seal or under the hands of an officer or attorney so authorized. Any person may act as a proxy whether he is a member or not.</p> <p>2) Corporate body (whether a Company within the meaning of the Act or not) may, if it is a member or a creditor or a debenture holder of the Company, by the resolution of its Board of Directors or other governing body authorise 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 the members of the Company or at any meeting of the creditors of the Company held in pursuance of the provisions contained in any Debentures or Trust Deed as the case may be. The person so authorized by the resolution as aforesaid shall be entitled to exercise the same right and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as that body could exercise, if it were an individual members creditors or holders of the debenture of the Company.</p> <p>3) So long as an authorization under clause (2) above is in force, the power to appoint proxy shall be exercised only by the person so appointed as representative.</p>

Proxy to be deposited at the office	162	The instrument appointing a proxy and the power of attorney if any under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument propose to vote or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
Validity of vote by proxy	163	<p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of the principal or the revocation of the proxy or the transfer of the share in respect of which the proxy is given. Provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.</p> <p>Every instrument appointing a proxy shall be retained by the Company and shall be in either of the forms specified in Schedule IX of the Act or a form as near thereto as circumstances will admit.</p>
Chairman's ruling regarding votes final	164	Subject to the provisions of the Act, the Chairman of a General Meeting shall be the sole and absolute judge of the validity of the every vote tendered at such meeting, or at a poll demanded at such meeting, and may allow or disallow any vote tendered, according as he shall be of opinion that the same is or is not valid.
Representation of Body Corporate	165	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company May in accordance with the provisions of Section 187 of the Act authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.
Representation of the President of India or Governors	166	<p>(a) The President of India or the Governor of State if he is a member of the Company' may appoint such person as he thinks fit to act, as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 187 A of the Act or any other statutory provision governing the same.</p> <p>(b) A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.</p> <p>(c) The Company shall observe the provisions of Section 187B of the Act in regards to the Public Trustee.</p>
Special Notice	167	Where by any provision contained in the Act or in these articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement

		in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.
Resolution Requiring Special Notice	168	The Company shall comply with provisions of Section 190 of the Act) relating to resolution requiring special notice.
Resolutions Passed At Adjourned Meeting	169	The provisions of Section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares In the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on' any earlier date.
Registration of Resolutions and Agreements	170	The Company shall comply with the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements.
Minutes of Proceedings of General Meeting and of Board and Other Meetings	171	<p>(a) The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every Meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <p>(b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:</p> <p>(i) in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>(ii) in the case of minutes of proceeding, of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose</p> <p>(c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>(d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>(e) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>(f) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <p>(i) the names of the Directors present at the meetings, and</p> <p>(ii) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.</p> <p>(g) Nothing contained in Clause (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the</p>

		<p>opinion of the Chairman of the meeting:</p> <p>(i) is, or could reasonably be regarded, as defamatory</p> <p>(ii) is irrelevant or immaterial to the proceedings; or</p> <p>(iii) is detrimental to the interests of the Company.</p> <p>The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusions of any matter in the minutes on the grounds specified in this clause.</p> <p>(h) The minutes of meetings kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.</p>
Presumptions to be drawn where Minutes duly drawn and Signed	172	Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act then, until the contrary is proved the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.
Inspection of Minute Books of General Meetings	173	<p>(a) The books containing the minutes of the proceedings of any general meeting of the Company shall:</p> <p>(i) registered office of the Company, and</p> <p>(ii) be open, during the business hours to the inspection of any member without charge, subject to such reasonable restrictions as the Company may in general meeting impose so however that not less than two hours in each day are allowed for inspection.</p> <p>(b) Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company, with a copy of any minutes referred to in Clause (a) above, on payment of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.</p>
Publication of Reports of Proceedings of General Meetings	174	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.

DIRECTORS

Title of Article	Article Number	Contents
Number of Directors	175	Unless otherwise determined by a General Meeting the number of Directors shall not be less than three and not more than twelve including all kinds of directors.
Qualification shares	177	Any person whether a member of the Company or not may be appointed as a Director and no qualification by way of holding shares shall be required of any Directors.

Debenture Directors	178	Any Trust Deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person or persons to be a Director or Directors of the Company and may empower such Trustees or holders of Debentures or debenture-stocks from time to time, to remove and reappoint any Director/s so appointed. The Director/s so appointed under this Article is herein referred to as Debenture Director and the term Debenture Director means the Director for the time being in office under this Article. The Debenture Director(s) shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and all such provisions shall effect notwithstanding any of the Provisions herein contained.
Special Director	179	<p>(a) In connection with any collaboration arrangement with any company or corporation or firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorise such Company, Corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint from time to time, any person or persons as Director or Directors of the Company (hereinafter referred to as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however, that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such Collaborator under the collaboration arrangements or any time thereafter.</p> <p>(b) The Collaborator may at any time and from time to time remove any such Special Director appointed by it and may at the time of such removal and, also in the case of death or resignation of the person so appointed at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.</p> <p>(c) It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one or more such person or persons as a Director(s) and so that if more than one Collaborator is so entitled there may at any time be as many Special Directors as the Collaborators eligible to make the appointment.</p>
Appointment of Director to fill the Casual Vacancy	180	Subject to the provisions of Section 262 of the Act, the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.
Additional Directors	181	Subject to the provisions of Section 260 of the Act, the Board of Directors shall have power at anytime, and from time to time, to appoint one or more persons as additional Directors, provided that

		the number of Directors and additional Directors together shall not exceed the maximum number fixed. Any additional Director so appointed shall hold office up to the date of the next annual general meeting, but he shall be eligible for election by the Company at that meeting.
Alternate Directors	182	The Board of Directors may appoint an alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Directors for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. All alternate Directors so appointed shall vacate office if and when the original Directors return to the State in which meeting of the Board are ordinarily held. If the term of the office of the original Directors is determined before he so returns to the State aforesaid, any provisions for the automatic reappointment of retiring Director in default of another appointment shall apply to the original, and not to the alternate Director.
Individual Resolution for Directors Appointment	183	At a general meeting of the Company a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. Resolution moved in contravention of this article shall be void whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed no provision for the automatic re- appointment of retiring director by virtue of these articles and the Act in default of another appointment shall apply.
Remuneration of Directors	184	<p>The remuneration of a Director for his service shall be such sum as may be fixed by the Board of Directors subject to a ceiling as may be prescribed by the Central Government from time to time for each meeting of the Board or a Committee thereof attended by him. The Directors subject to the sanction of the Central Government any required) may be paid, such further remuneration as the Company in General Meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors. Iii such proportion and manner as the Board may from time to time determine and in default of such determination shall be divided among the Directors equally.</p> <p>Subject to the provisions of the Act, a Director who is either in the whole time employment of the Company or a Managing Director may be paid remuneration as provided in Sections 198, 309, 310 and 311 of the Act and Schedule XIII of the Act either by way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other Subject to the provisions of the Act, Director who is neither in the whole time employment of the Company nor a Managing Director may be paid remuneration as provided in Sections 198,309,310 and 311 of the Act and Schedule XIII of the Act either:</p> <p>(I) by way of a monthly, Quarterly or annual payment with the approval of the Central Government, or</p> <p>(II) by way of commission if the Company by special resolution authorised such payment.</p> <p>A Director may receive remuneration by way of a fee for each</p>

		meeting of the Board or a committee thereof attended by him as prescribed by Central Government.
Remuneration for extra services	185	Subject to the provisions of Section 198,309,310,311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a member of any committee formed by the Directors or in relation to signing Share Certificates) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.
Travelling expenses incurred by Directors on Company's business	186	The Board of Directors may, subject to the limitations provided by the Act, allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence for the purpose of attending a meeting such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fees for attending such meeting as above specified.
Increase in Remuneration of Directors to require Government Sanction	187	Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Company or in any resolutions passed by the Company in General Meeting or by the Board of Directors shall be subject to the provisions of Section 198, 269, 310 and 311 of the Act and in accordance with the conditions specified in paragraphs I and II of Schedule XIII and subject to the provisions of Part III of that Schedule and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule XIII, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not endorsable against the Company.
Continuing Directors may act	188	The Continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three the continuing Director or Directors may act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purposes.
Vacation of office of director	189	The office of a Director shall be vacated, if; a) He is found to be of unsound mind by a Court of competent jurisdiction; or b) He applies to be adjudicated or is adjudged as insolvent; or c) He fails to pay dues made on him in respect of shares held by him within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the official

		<p>gazette, removed the disqualification incurred by such failure; or</p> <p>d) He is convicted by the Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or</p> <p>e) He absent himself from three consecutive meetings of the board for a continuous period of three months whichever is longer, without obtaining leave of absence from the Board; or</p> <p>f) He (whether by himself or by any other person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a director accepts a loan, or any guarantee or security for a loan from the Company in contravention of section 299; or</p> <p>g) He acts in contravention of section 295; or h) He becomes disqualified by an order of court under section 203; or i) He is removed in pursuance of section 284; or j) Having been appointed a Directors by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company</p> <p>Provided that notwithstanding anything in sub-clause (b), (d) and (h) above the disqualification referred to in those clauses shall not take effect.</p> <p>a) for thirty days from the date of the adjudication, sentences or order.</p> <p>b) Where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentences or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentences, conviction or order, and the appeal or petition, if allowed would result in the removal of the disqualification, until such further appeal or petition is disposed of .</p>
Directors may contract with the Company	190	<p>1) Subject to the provisions of the Act, the director including the Managing Director if any shall not be disqualified by the reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker or otherwise nor shall any contract or arrangement entered into by or on behalf of the Company with any Directors or the Managing Directors or with any Company on partnership of or in which any Directors or the Managing Directors shall be a member or otherwise interested be avoided nor shall any Director or the Managing Director so contracting or being such member or so interested be liable to account to the Company any profit realised by such contract or arrangement by reason only of such Directors or the Managing Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by him or them in accordance with the provisions of Section 299 of the Act</p>

		<p>where that section be applicable at the meeting of the Board at which the contract or agreement is determined on, if the interest then exists or in any other case at the meeting of the Board after the acquisition of the interest.</p> <p>Provided nevertheless that no Directors shall take part in the discussion of or vote as a Directors in respect of any contract or arrangement in which he is so interested as aforesaid and if he does so his Vote shall not be counted, but he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting although he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. The provisions shall not apply to any contract by or on behalf of the company to give to the Directors or the Managing Directors or any of them any security by way of indemnity against any loss which they or any of them suffer by becoming or being sureties for the Company or to any contract or arrangement or to be entered with a public company, or a private company which is a subsidiary of a public company, in which the interest of the Directors aforesaid consists solely in his being a Directors of such company and the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a Directors thereof, he having been nominated as such Directors by the Company or in his being a member holding not more than 2% of its paid up share capital. This Article is subject to the provisions of sub-section (2) of Section 300 of the Act.</p> <p>2) A general notice that any Directors is a Directors or a member of any specified company or is a member of any specified firm and is to be regarded as interested in any subsequent transaction with such company or firm shall as regards any such transaction be sufficient disclosure under this Article and after such general notice it shall not be necessary to file any special notice relating to any particular transaction with such company or firm.</p> <p>3) A Director may be or become a Director or member of any Company promoted by his Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Directors shall be accountable to the Company for any benefits received as a Director or member of such Company. Subject to the restrictions imposed by these Articles and by Sections 292, 293, 294, 295, 297, 300, 311, 370 and 373 and any other provisions of the Act, no Director, Managing Director, or other officer or employee of the Company shall be disqualified from holding his office by contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director, Managing Director, joint Managing Director, Executive Director other officer or employee shall be In any way interested, be avoided, nor shall the Director, Managing Director or any officer or employee so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director, officer or employee holding that office or of the relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with the provisions of Section 299 of the Act where that</p>
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		section be applicable.
Eligibility	191	A person shall not be capable of being appointed a Director if he has the disqualifications referred to in Section 274 of the Act.
Disclosure of Directors Interest	192	<p>(1) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company; shall disclose the nature of his concern of interest at a meeting of the Board of Directors; in the manner provided in Section 299 (2) of the Act.</p> <p>(2) (a) In the case of proposed contract or arrangement, the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he be so concerned or interested,</p> <p>b) In case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the board held after the Director becomes concerned or interested in the contract or arrangement,</p> <p>(3) a) For the purpose of clauses (1) and (2) a general notice given to the Board by a Director to the effect that he is a Director or a member of specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notices, entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to and contract or arrangement so made.</p> <p>(b) Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time by a fresh notice given in the last month of financial year till which it would otherwise expire.</p> <p>(c) No such general notice and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.</p> <p>d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where anyone or two or more of Directors together holds or hold not more than two percent of the paid up share capital in other company.</p>
Board Resolution necessary for Certain Contracts	193	<p>(1) Except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is a partner- any other partner in such a firm, or a private company of which the Director is a member or director, shall not enter into any contract with the Company</p> <p>(a) For the sale, purchase or supply of any goods, materials or</p>

		<p>services; or</p> <p>(b) For underwriting the subscription of any share in or debentures of the Company,</p> <p>(2) Nothing contained in sub-clause (a) of clause (1) shall affect –</p> <p>(a) the purchase of goods and materials from the Company or the sale of goods and materials to the Company by any Director, relative, firm, partner or private any as aforesaid for cash at prevailing market prices; or</p> <p>(3) Notwithstanding anything contained in clauses (1) and (2) a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into.</p> <p>(4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.</p> <p>(5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be avoidable at the option of the Board.</p>
Holding of Office of Profit by Directors etc	194	<p>(1) except with the consent of the Company accorded by a special resolution:</p> <p>(a) No Director of the Company shall hold any office or place of profit; and</p> <p>(b) No partner or relative of such a Director, no firm in which such a Director or relative of such Director is partner, no private company of which such a Director is a Director or member, and no Director or manager of such a private company shall hold any office or place of profit, carrying a total monthly remuneration of such sum as may be prescribed, except that of Managing Director or Manager, banker or trustee for the holders of debentures of the Company:</p> <p>(i) Under the Company; or</p> <p>(ii) Under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding Company PROVIDED that it shall be sufficient if the special resolution according consent of the Company, is passed at the general meeting of the Company held for the first time after the holding of such office or place of profit.</p>

		<p>For the purpose of this clause a special resolution according consent shall be necessary for every appointment in the first instance to an office or place of profit and every subsequent appointment in the first stance to an office or place of profit on a higher remuneration not covered by the special resolution except where an appointment on a time scale has already been approved by the special resolution;</p> <p>(2) Nothing in Clause (1) hereof shall apply where a relative of a Director or a firm in which such relative is a partner holds any office or place of profit under the Company or a subsidiary thereof having been appointed to such office or place before such Director becomes a Director of the Company,</p> <p>(3) If any office or place or profit is held in contravention of the provisions of sub- clause (1), above or except as provided by clause (2) above, the Director, partner, relative, firm, private company or manager concerned shall be deemed to have vacated his or' its office as such on and from the date next following the date of the general meeting of the Company referred to in the first proviso to clause (1) above or, as the case may be, the date of expiry of the period of three months referred to in the Second proviso to clause (1) above, and shall also liable J to refund to the Company remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit,</p> <p>(4) Every individual, firm, private company, or other body corporate proposed to be appointed to any office or place of profit to which this article applies shall, before or at the time of such appointment, declare in writing whether he or it is or is not connected with the Director of the Company in any of the ways referred to in clause (1),</p> <p>(5) Any office of place shall be deemed to be an office or place of profit under the Company within the meaning of Clause (1)</p> <p>(a) in case the office or place is held by a Director, if the director holding it obtains from the Company anything by way of remuneration over and above the remuneration to which he is entitled as such Director whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence of otherwise</p> <p>(b) In case the office or place is held by an individual other than Director of by any firm, private company or other body corporate if the individual firm, private company or body corporate holding it obtains from the Company anything by way of remuneration whether as salary, fees, commission,. Perquisites, the right to occupy free of rent any premises as a place of residence or otherwise.</p> <p>(6) Notwithstanding anything contained in sub-cause (1)</p> <p>(a) No partner or relative of Director or Manager;</p>
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		<p>(b) No firm in which such Director or Manager or relative of either is a Partner;</p> <p>(c) No Private Company of which such a Director or Manager or relative of either is a Director or member shall hold any office or place of profit in the Company which carries a total monthly remuneration of not less than such sum as may be prescribed except with the prior consent of the Company by a Special Resolution and the approval of the Central Government.</p>
Loans to Director etc.	195	<p>The Company shall not without obtaining the previous approval of the Central Government in that behalf, directly or indirectly make any loan to or give any guarantee or provide any security in connection with loan made by any other person to, or any other person by-</p> <p>(a) any Director of the Company or any partner or relative of any such Director;</p> <p>(b) any firm in which any such Director or relative is a partner;</p> <p>(c) any private company of which any such Director is a Director or member;</p> <p>(d) any body corporate at a general meeting of which not less than twenty-five percent of the total voting power may be exercised or controlled by any such Director, or by two or more such Directors together; or</p> <p>(e) any body corporate, the Board of Directors, Managing Director or Manager whereof, is accustomed to act in accordance with the directions or instruction of the Board, or of any Director or Directors of the Company.</p>
Loans to Companies	196	<p>The Company shall observe the restrictions imposed on the Company in regard to making any loans, giving any guarantee or providing any security to the Companies or bodies corporate under the management as provided in Section 370 of the Act.</p>
Register of Contracts in which Directors are Interested	197	<p>(i) The Company shall keep one or more Registers in which it shall be entered separately particulars of all contracts and arrangements to which Sections 297 and 299 of the Act applies including the following particulars to the extent they are applicable in each case, namely:</p> <p>(a) the date of the contract or arrangement;</p> <p>(b) the names of the parties thereto;</p> <p>(c) the principal terms and conditions thereof;</p> <p>(d) in the case of a contract to which Section 297 of the Act applies or in the case of a contract or arrangement to which sub-section (2) of Section 299 of the Act applies the date on which it was placed before the Board;</p> <p>(e) the names of the Directors voting for and against the contract or arrangement and the names of those remaining neutral.</p>

		<p>(ii) Particulars of every such contract or arrangement to which Section 297 of the Act or as the case may be subsection (2) of Section 299 applies shall be entered in the relevant register aforesaid-</p> <p>(a) in the case of a contract or arrangement requiring the Board's approval within seven days (exclusive of public holidays) of the meeting of the Board at which the contract or arrangement is approved;</p> <p>(b) in the case of any other contract or arrangement within seven days of the receipt at the Registered Office of the Company of the particulars of such other contract or arrangement or within thirty days of the date of Such other contractor arrangement whichever is later, and the Register shall be placed before the next meeting of the Board and shall then be signed by all the Directors present at the meeting.</p> <p>(c) the register shall be kept at the registered office of the Company, and it shall be open to inspection at such office, and extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.</p> <p>(iii) The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act.</p> <p>(iv) Nothing in Clauses (i), (ii) and (iii) shall apply to any contract or arrangement for the sale, purchase or supply of any goods, materials or services if the value of such goods and materials or the cost of such services does not exceed rupees one thousand in the aggregate in any year.</p>
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NOMINEE DIRECTORS

Title of Article	Article Number	Contents
Appointment of Nominee Directors	198	Notwithstanding anything to the contrary contained in the Articles so long as monies remain owing by the IFCI, ICICI, IDBI or any financial institution owned or controlled by the central government or state government or the RBI or by two or more of them or by the Central Government or State Government by themselves (each of the above is hereinafter referred to as the "Corporation") and out of any loans/ debentures assistance granted by them to the company or so long as the corporation holds or continues to hold debenture/shares in the company as a result of underwriting or by direct subscription or private placement or on long as any liability of the company arising out of any guarantee furnished by the Corporation on behalf of the company remains outstanding, the Corporation shall have right to appoint from time to time any person as the Director or Directors, whole time or non- whole time (which

		Director /Directors is/are hereinafter referred to as Nominee Director(s) on the Board of the company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.
Rights of Nominee Directors	199	The Board shall have no power to remove from office the Nominee Director /s on the option of the Corporation and such nominee Director /s shall not be required to hold any share qualifications in the company, also on the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation or Directors subject as aforesaid the Nominee Director /s shall be entitled to the same obligations as any other Director of the company.
Terms of Nominee Directors	200	The Nominee Director /s so appointed shall hold the said office only so long a the corporation holds or continues to hold debentures/shares in the company as a result of underwriting or by direct subscription or by private placement or the liability of the company out of the guarantee is outstanding and the Nominee Director /s so appointed in exercise of the said power shall, ipso facto, vacate such office immediately the moneys owing by the company to the corporation are paid off or on the corporation leasing to hold Debentures/shares in the company or on the satisfaction of the liability of the company arising out of the guarantee furnished by the corporation.
Nominee Directors to attend meetings	201	The Nominee Director /s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings of the Committees of which the Nominee Director /s is/are member/s as also the minutes of such meetings. The corporation shall also be entitled to receive all such notices and minutes.
Remuneration to Nominee Directors	202	<p>The Company shall pay to the nominee Director/s sitting fees and expenses to which the other Directors of the company are entitled but if any other fees, Commission, of the company, the fees, commission, moneys or remuneration in any form is payable to the Director of the company, the fees, commission, moneys or remuneration in any form is payable to the Directors of the company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the corporation and the same shall accordingly be paid by the company directly to the corporation. Any expenses that may be incurred by the Corporation on such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the company to the Corporation or, as the case may be, to such Nominee Director/s.</p> <p>Provided that if any such Nominee Director/s is/are on officer/s' or the Corporation, the sitting fees in relation to such Nominee Director/s shall also accrue to the corporation and the same shall accordingly be paid by the company directly to the Corporation.</p> <p>Provided also that in the event of the Nominee Director/s being appointed as a whole-time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the corporation and have such rights as are usually exercised or available to the whole-time Director in the management of the affairs of the company such whole time Director/s shall be entitled to receive such the fees, commission, moneys and remuneration as may be appointed by the corporation.</p>

		Not less than one-third of the total number of Directors of the Company for the time being holding office shall be Directors whose period of office is liable to be determined by retirement by rotation and shall be appointed by the Company in General meeting.
Limit on Number of Non-Retiring Directors	203	Subject to the provisions of Section 255 of the Act, the number of Directors appointed under Articles 178, 179 and 198 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.
Power to remove Directors by ordinary resolution	204	Subject to the provisions of section 284 of the Act the Company may by an ordinary resolution in General Meeting remove any Directors before the expiration of his period of office, and may by an ordinary resolution appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is so appointed was last elected as Director.

ROTATION AND APPOINTMENT OF DIRECTORS

Title of Article	Article Number	Contents
Directors Retiring By Rotation and Filling Up Vacancy	205	<p>(a) At every annual general meeting one-third of such directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, then the number nearer to one-third, shall retire from office.</p> <p>The Debenture Directors, Corporation Directors, Special Director and subject to Article 143 Chairman, Managing Director or whole time Director if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.</p> <p>(b) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot. A Retiring Director shall be eligible for re-election:</p> <p>(c) At the annual general meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.</p> <p>(d) (i) If the place of the retiring Director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>(ii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that the meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless-</p>

		<p>(1) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;</p> <p>(2) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;</p> <p>(3) he is not qualified or is disqualified for appointment</p> <p>(4) a resolution, whether special or ordinary, is required for the appointment or re-appointment in virtue of any provisions of the Act or</p> <p>(e) The proviso to sub-section (2) of Section 263 of the Act is applicable to the case.</p>
Consent of Candidates for Directorship	206	Every person who is proposed as a candidate for the office of Director of the Company shall sign and file with the Company and with the Registrar, his consent in writing to act as Director, if appointed, in accordance with the provisions of Section 264 of the Act in so far as they may be applicable.
Company may Increase or Reduce the Number of Directors or Remove any Director	207	Subject to the provisions of section 252, 255 & 259 of the Act the company in General Meeting may by ordinary resolution increase or reduce the number of its Directors within the limit fixed by the Article 92.
Appointment of Directors to be Voted Individually	208	<p>(1) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.</p> <p>(2) A resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided that for the automatic re-appointment of retiring Director in default of another appointment as hereinbefore provided shall apply.</p> <p>(3) For the purpose of this Article, a motion for approving a person's appointment or for nominating a person for, appointment shall be treated as a motion for his appointment</p>
Notice of Candidature for Office of Directors except in certain cases	209	<p>(1) No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless he or some other member intending to propose him has, at, least fourteen days before the meeting, left at the office of the Company a notice, in writing under his hand signifying his candidature for the office of a Director or, the intention of such member to propose him as a Director for office as the case may be along with a deposit of five hundred Rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.</p> <p>(2) The Company shall inform its members of the candidature of the person for the office of Director or the intention of a member to propose such person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting. Provided that it shall, not be necessary for the</p>

		<p>Company to serve individual notices on the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Register Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.</p> <p>(3) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.</p> <p>(4) A person, other than –</p> <p>(a) a Director, re-appointed after retirement by rotation or immediately or the expiry of his term of office, or .</p> <p>(b) an additional or alternate Director or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or re-appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director</p>
Register of Directors and Notification of Change to Register	210	<p>(1) The Company shall keep at its Registered Office a Register containing the particulars of its Directors and other persons mentioned in Section 303 of the Act and, shall send to the Registrar a Return containing the particulars specified in such Register and shall otherwise comply with the provisions of the said Section in all respects,</p> <p>(2) The Company shall keep at its Registered Office a Register showing as respects each Director of the Company the number, description, and amount of any shares in or debentures of the company or any other body corporate being the company's subsidiary or holding company or a subsidiary of the company's holding company which are held by him or in trust for him or of which he has any right to become the holder whether on payment or not, as required by Section 307 of the Act. Such Register shall be kept open for inspection by any member or debenture holder of the company as required by section 307 (5) of the Act.</p>
Disclosure by Director of Appointment to any other Body Corporate	211	<p>Every Director (including a person deemed to be a Director of the Company by virtue of the explanation to Sub-section (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company who is appointed to or relinquishes office of Director, Managing Director, Manager or Secretary of any other body corporate shall within thirty days of his appointment to, or as the case may be relinquishment of such office dispose to the company the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.</p>
Disclosure by Directors of Their Holdings of Shares	212	<p>Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself</p>

and Debentures, of the Company		as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
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PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article	Article Number	Contents
Meeting of the Board	213	The Board of Directors shall meet at least once in every three months for the dispatch of the business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provide that at least four such meetings shall be held in every year.
Calling of Board Meeting	214	The Managing Director may at anytime summon a meeting of the Board and the Managing Director or secretary on the requisition of a director shall at any time summon a meeting of the Board, notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.
Quorum	215	The quorum for a meeting of the Board shall be one third of the total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher provided that where at any time the number of interested Directors is equal to or exceeds two third of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Director actually holding office as Directors on date of the resolution or meeting that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time.
Questions how Decided	216	1) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by the majority of the Board. 2) In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as Director.
Election of Chairman of Board	217	1) The Board may elect from their body of directors a chairman of its meeting and determine the period for which he is to hold office. 2) If no such Chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting. The Directors present may choose one of their numbers to be chairman of the meeting.
Powers to Delegate to Committee	218	Subject to the provisions of the section 292 of the Act and other provisions of the Act, the Board may delegate from time to time and at any time to a committee formed out of Directors all or any of the powers authorities and discretions for the time being vested in the

		Board, and any such delegations may be made on such terms and subject to such conditions as the Board may think fit.
Directors May Appoint Committee	219	Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of their powers to Committees of the Board consisting of two or more members of its body as it thinks fit. The Chairman shall have a casting vote at committee meetings and the Board may from time to time, revoke and discharge such Committee of the Board either wholly or in part and either to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time, be imposed or it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of its appointment but not otherwise, shall have the like force and effect as if done by the Board.
Election of Chairman Committee	220	1) If the Chairman of the Board is a member of the Committee, he shall preside over all meetings of the Committee of the Chairman is not a member of the company may elect a Chairman of its meeting. If no such Chairman is elected, or if at any meeting the Chairman is not present with five minutes after the time appointed for holding the meeting, the members present may choose one of their numbers to be Chairman of the Meeting. 2) The Quorum of a Committee may be fixed by the Board of Directors and until so fixed if the Committee is of a single member or two members, shall be one and if more than two members, shall be two.
Question how Determine	221	1) A Committee may meet and adjourn, as it thinks proper. 2) Questions arising at any meeting of a committee shall be determined by the sole member of the Committee or by a Majority of votes of the members present as the case may be and in case of an equality of vote, the Chairman shall have a second or casting vote in addition to his vote as a member of the committee.
Meeting of Committee, How to be Governed	222	The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors.
Validity of Acts done by a Board Committee	223	All acts done by any meeting of the board or of a Committee thereof or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or any person acting as aforesaid or that they or any of them were disqualified be as valid as if every such Directors or such person had been duly appointed and was qualified to be a director.
Resolution by Circulation	224	The Company shall comply with provisions of Section 188 of the Act, relating to circulation of members resolutions.

POWERS AND DUTIES OF DIRECTORS

Title of Article	Article Number	Contents
General power of the Company Vested in the Directors	225	The Business of the Company shall be managed by the Board of Directors, who may exercise all such powers of the Company as are not by the Act or any statutory modification thereof for the time being in force, or by these presents, required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these presents, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting, but, no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made
Further Powers Of The Directors	226	<p>Without prejudice to the generality of the foregoing, it is hereby expressly declared that the Directors shall have the following powers that is to say power:</p> <ol style="list-style-type: none"> 1) To carry on and transact the several kinds of business specified in the clause III of the Memorandum of Association of the Company. 2) To draw, accept, endorse, discount, negotiate and discharge on behalf of the Company, all bills of exchange, promissory notes, cheques, hundies, draft, railway receipts, clock warrants, delivery orders, Government promissory notes other Government instruments, bonds, debentures or debenture stock or Corporation Local Bodies Port Trust, Improvement Trusts or other Corporate Bodies and to execute transfer deeds for transferring stocks, shares or stocks certificates of the Government and other local or corporate bodies in connection with any business or any subject of the Company. 3) At their discretion, to pay for any property, rights, or privileges acquired by or services rendered to the Company .either wholly or partially in cash or in shares bonds debentures or other securities of the Company ,and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any of the property of the company or not so charged. 4) To engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accountants, agents, cashier, commission agents, dealers, brokers, foremen, servants, employees of every description and to employ such professional or technical or skilled assistants as from time to time may in their option be necessary or advisable in the interest of the Company and upon such terms as to duration of employment, remuneration or otherwise and may be required security in such instances and to such amounts as the Directors think fit. 5) To accept from any member on such terms and conditions as shall agreed, a surrender of his shares or stock or any part thereof. 6) To secure the fulfillment of any contracts or agreements entered

		<p>into by the company by the mortgage or charge of all or any of the property of the Company or in such other manner, as they think fit.</p> <p>7) To institute conduct, defend, compound or abandon any actions suits and legal proceedings by or against the company or its officers or otherwise concerning the affairs of the company and also to compound or compromise or submit to arbitration the same actions, suits and legal proceedings.</p> <p>8) To make and give receipts, releases and others discharges for the money payable to the Company and for the claims and demands of the company.</p> <p>9) To determine who shall be entitled to sign on the company's behalf bills of exchanges or pronotes, dividends, warrants, cheques and other negotiable instruments, receipts, acceptance, endorsements, releases, contracts, deeds and documents.</p> <p>10) From time to time to regulate the affairs of the company abroad in such manner as they think fit and in particular to appoint any person to be the attorneys or agent of the Company either abroad or in India with such powers including powers to sub-delegate and upon such terms as may be thought fit.</p> <p>11) To invest and deal with any money of the Company not immediately required for the purposes thereof upon such securities, as they think fit.</p> <p>12) To execute in the name and on behalf of the company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.</p> <p>13) To give any person employed by the Company a commission on the profits, or any particular business or, transactions, or a share in the general profits of the Company, and such commission or such share of profits shall be treated as part of the working expenses of the company.</p> <p>14) From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.</p> <p>15) To enter into all such negotiations and contracts, and rescind and vary all such contracts, and execute and do all such acts and deeds and things in the name and on behalf of the company as they may consider expedient for in relation to any of the matters aforesaid or otherwise for the purpose of the company.</p> <p>16) To pay gratuities, bonus, rewards, presents and gifts to employees, or dependents of any deceased employees to charitable institutions or purposes to subscribe for provident funds and other associations for the benefit of the employees.</p>
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Certain Powers to be Exercised By the Board	227	<p>(a) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board –</p> <p>(i) The power to make calls on shareholders in respect of money unpaid on their shares</p> <p>(ii) The power to issue debenture;</p> <p>(iii) The power to borrow moneys otherwise than on debentures;</p> <p>(iv) The power to invest in the funds of the Company, and</p> <p>(v) The power to make loans</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (iii), (iv) and (v) to the extent specified in clauses (b), (c) and (d) respectively on such conditions as the Board may prescribe.</p> <p>(b) Every resolution delegating the power referred to in sub-clause (iii) of clause (a) shall specify the total amount outstanding at anyone time up to which moneys may be borrowed by the delegate.</p> <p>(c) Every resolution delegating the power referred to in sub-clause (iv) of clause (a) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>(d) Every resolution delegating the power referred to in sub-clause (v) of clause (a) shall specify the total amount up to which loans may be made by the delegates, the purpose for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual case.</p> <p>(e) Nothing in this article contained shall be deemed to affect the right of the Company in general ,meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in sub-clauses (i), (ii), (iii), (iv) And (v) of clause (a) above.</p>
Restriction on Powers of Board	228	<p>(a) The Board of Directors of the Company shall not except with the consent of the Company in general meeting</p> <p>(i) Sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole -of any such undertaking;</p> <p>(ii) Remit, or give time for the repayment of any debt, due by Director</p>

		<p>(iii) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (i) above, or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;</p> <p>(iv) borrow moneys, where the money to be borrowed, together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purposes; or</p> <p>(v) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amount; the aggregate of which in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years, immediately preceding, whichever is greater.</p> <p>(b) Nothing contained in sub-clause (i) of clause (a) above shall affect:</p> <p>(i) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>(ii) The selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>(c) Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (a) (i) above, may attach such conditions to the permission as may as specified in the resolution, including conditions regarding the use disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the company to effect any reduction in its capital except in accordance with the provisions contained. in that behalf in the Act.</p> <p>(d) No debt incurred by the Company in exercise of the limit imposed by sub-clause (iv) of clause (a) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p> <p>(e) Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in sub-section (1) of Section 293 of the Act and in regard to the limitations on the power of the Company contained in Section 293 A of the Act.</p>
Specific Powers Given to Directors	229	Without prejudice to the general powers conferred by Article 225 & 226 and the other powers conferred by these presents and so as not in any way to limit any; or all of these powers, it is hereby

		expressly declared that the Directors shall have the following powers:
To Pay Registration Expenses		(i) To pay the costs, charges and expenses preliminary and indented to the promotion, formation establishment and registration of the Company; (ii) To pay and charge to the capital account of the Company any interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act
To Acquire Property		(iii) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this company is authorized to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or acquisition to accept such of as the Board may believe or may be advised to be reasonably satisfactory.
To purchase lands, buildings, etc.		(iv) Subject to the provisions of the Act to purchase, or take on lease for any if term or terms of years, or otherwise acquire any mills or factories or any land or lands with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
To Construct Buildings		v) To effect, construct, enlarge, improve, alter, maintain, pull down rebuild or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company
To Mortgage, Charge Property		(vi) To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 293 of the Act, any property of the Company either absolutely or conditionally .and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit
To Pay for Property etc		(vi) To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 293 of the Act, any property of the Company either absolutely or conditionally .and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit
To Insure		(vii) At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture-stock or other securities of the Company, deed any such shares stock or other securities of. the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
To Open Accounts		(viii) To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores,

		produce and other movable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
To Seller Contracts		(x) To secure the fulfillment of any contracts of engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
To Attach to Share Such condition		(xi) To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof they may think fit;
To Accept, Surrender, of Share		(xii) To accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
To Appoint Attorney		(xiii) To appoint any person or persons (whether incorporated or not), to accept and hold in trust for the Company any property belonging to the Company or in which it is interested for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
To Bring and Defend Actions		(xiv) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 293 of the Act to compound and allow time for payment'. or' satisfaction of any debts due, or of any claims or demands by or against the Company;
To Refer to Arbitration		(xv) To refer, subject to the provisions of Section 293 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;
To Act on insolvency matters		(xvi) To act on behalf of the Company in all matters relating to bankrupts and Insolvents;
To Give Receipts		(xvii) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 293 of the Act;
To Authorise Acceptances		(xviii) To determine from time to time as to who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, dividend interest warrants, release, contracts and documents on the Company's behalf
To invest moneys		(xix) Subject to the provisions Of Sections 292,293, 370 and 372 of the Act, to invest and deal with any of the money of the Company, not immediately required for the purpose thereof, upon such shares, securities, or investments (not being shares in this company) and in such manner as they may think fit, and from time to time to vary or realize such investments
To Provide for Personal Liabilities		(xx) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on.

To give to directors etc. An Interest In Business		(xxi) Subject to such sanction as may be necessary under the Act or the articles, to give to any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.
To Provide for Welfare of Employees		(xxii) To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing, or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;
To Subscribe for Charitable and other funds		(xxiii) To subscribe, or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or any other useful institutions, object or purposes for any exhibition;
To Maintain Pension Funds		(xxiv) To establish and maintain or procure the establishment and maintenance of any contributory. or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such Subsidiary Company, or who are or were at any time Directors officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidies and subscribe to any institutions, associations, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid
		(xxv) To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.
To create Reserve Fund		(xxvi) Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund .or Reserve Fund or Sinking Fund or any other special fund to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed) Section 292 and 293 and other provisions of the Act) as the directors may think fit, and from time to time, to deal with and vary such investments and dispose of and

		<p>apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the Capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the depreciation Fund, in the business of the Company or in repayment or redemption of redeemable preference shares, debentures or debenture- stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion, to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.</p>
To Appoint Officers etc.		<p>(xxvii) The Board shall have specific power to appoint officers, clerks and servants for permanent or temporary or special services as the Board, may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants provided that the appointment of a person on a post carrying a salary of Rs. 6,000/- per month or above or a pay scale the maximum of which is Rs. 6,000/- per month or above shall be made only by means of resolution passed at a Board Meeting.</p>
To Authorise by Power of attorney		<p>(xxviii) At any time and from time to time by power of attorney, to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees, or managers' of any company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or' any of the powers, authorities, and discretions for the time being vested in them.</p>
To Authorise, Delegate		<p>(xxix) Subject to the provisions of the Act, generally and from time to time and at any time to authorise empower or delegate to (with or without powers of sub-delegation) any Director, Officer or Officers or Employee for the time being of the Company and/or any other person, firm or Company all or any of the powers authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any as the Directors may think proper.</p>
To Negotiate		<p>(xxx) To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters</p>

		<p>aforesaid or otherwise for the purposes of the Company.</p> <p>(xxx) From time to time to make vary any legal bye-laws for the regulations of the business of the Company, its officers and servants.</p>
Powers as to commencement of the business or branch business		(xxxii) Any branch or kind of business which by the Memorandum of Association of the company or these presents is expressly or by implication authorised to be undertaken by the Company may be undertaken by the Board at such time or times as they shall think fit and further may be suffered by them to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.
Duty to maintain register etc and records of minutes	230	<p>1) The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the properties of the Company or created by it and to keeping a Register of the Director and to sending to the Registrar an annual list of members and a summary of particulars of shares and stocks and copies of special resolutions and other resolutions of the Board as are required to be filed with the Registrar under section 192 of the Act, and a copy of Register of Directors and notification of any change therein.</p> <p>2) The company shall comply with the requirements of section 193 of the companies Act, in respect of keeping of the minutes of all proceedings of every General meeting and of every meeting of the Board or any Committee of the Board.</p> <p>3) The Chairman of the meeting may exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person, irrelevant or immaterial to the proceedings or detrimental to the interest of the company.</p>
Secretary	231	Subject to the provisions of Section 383 A of the Act, the Directors may, from time to time appoint and, at their discretion remove any individual (hereinafter called the Secretary') who shall have such qualifications as the authority under the Act may prescribe to perform any functions, which by the Act or these Articles are to be performed, by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

BORROWINGS

Title of Article	Article Number	Contents
Borrowings	232	1) The Board of Directors may from time to time but with such consent of the company in General Meeting as may be required under section 293 raise any moneys or sums of money for the purpose of the Company, provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of the business shall not without the sanction of the Company at the General Meeting exceed the aggregate of the paid up Capital of the Company and its

		<p>free reserves, that is to say reserve not set apart for any specific purpose and in particular, but subject to the provisions of Section 292 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and in securities of any such money so borrowed, raise or receive, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase redeem or pay off any such securities.</p> <p>Provided that every resolution passed by the Company in the General Meeting in relation to the exercise of the powers to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors.</p> <p>Debentures, debenture stocks, bonds or other securities with a right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in the General Meeting.</p> <p>2) The Directors may by a resolution at the meeting of the Board delegate the above powers to borrow money otherwise than on debenture to a Committee of Directors or the Managing Director, if any within the limits prescribed.</p> <p>3) Subject to the provisions of the sub clause, the Directors may from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular by promissory notes or by opening current accounts or by receiving deposits and advances with or without security, or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as to them may seem expedient.</p>
Assignment of Debentures	233	Such debentures, debenture-stocks, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be expedient.
Terms of Debentures	234	<p>a) Any such debentures, debenture-stock, bonds or other securities may be issued at a discount, premium, or otherwise and with any special privileges as to redemption, surrender drawings, allotment of shares of the Company, appointment of Directors or otherwise debentures, debenture-stocks, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with the sanction of the Company in the General Meeting.</p> <p>b) Any trust or deed for the securing of any debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or</p>

		<p>any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the Share capital of the Company or provide assistance in any other manner, may provide for the appointment, from time to time ,by any such mortgager, lender, trustees or holders of debentures or contracting party as aforesaid ,of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may from time to time remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.</p> <p>(c) The Director or Directors so appointed by or under a mortgage deed, debenture trust deed or other bond or contract as aforesaid shall be called "Nominated Directors". The words "Nominated Directors" shall mean the Director appointed as aforesaid and for the time being holding such office. The Nominated Director shall not be liable to retire by rotation or to be removed from the office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provisions as may be arranged between the Company and mortgage, lender, trustee or contracting party as the case may be and all such provisions shall have effect notwithstanding any of the other provisions herein contained but' subject to the provisions of the Act.</p>
Register of mortgages and charges	235	The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.
Subsequent assignees of uncalled capital	236	Where any uncalled capital of the Company is charged all persons taking any subsequent charge thereon shall take the same, subject to such prior charge, and shall not be entitled, by notice to the Shareholders or otherwise to obtain priority over such prior charge
Charge in favour of directors for Indemnity	237	If the Director or any of them or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or effecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.
Bonds, Debentures etc. to be subject to control of Directors	238	Any bonds, debentures, debenture-stocks or other securities issued or to be issued by the company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider

		<p>being for the benefit of the Company.</p> <p>Provided that bonds, debentures debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.</p>
Securities may be Assignable free from Equities	239	Debentures, debenture-stocks, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued
Power to issue shares at Discount	240	With the previous authority of Company in General Meeting and the sanction of the Company Law Board and upon otherwise complying with the provisions of Section 79 of the Act, it will be lawful for the Directors to issue at a discount, shares of a class already issued
Debentures with voting rights not to be issued	241	<p>a) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.</p> <p>(b) The Company shall have power to reissue redeemed debentures 1n certain cases in accordance with Section 121 of the Act.</p> <p>(c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.</p> <p>(d) Certain charges mentioned in Section 125 of the Act shall be void against the liquidators or creditors unless registered as provided in Section 125 of the Act.</p> <p>(e) The term 'charge' shall include mortgage in these Articles.</p> <p>(f) A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree for specific performance</p>
Limitation of Time for Issue of Certificate	242	<p>The Company shall, within three months after the allotment of any of its debentures or debenture-stock, and within one month after the application for the registration of the transfer of any such debentures or debenture stocks have complete and deliver the Certificate of all the debentures and the Certificates of all debenture stocks allotted or transferred unless. The conditions of issue of the debentures or debenture-stocks otherwise provide.</p> <p>The expression transfer for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.</p>
Right to Obtain Copies of and Inspect Trust Deed	243	<p>(i) A copy of any Trust Deed for securing any issue of debentures' shall be forwarded to the holder of any such debentures or any member of the Company at his request and with even days of the making thereof on payment.</p> <p>(a) in the case of a printed Trust Deed of the sum of Rupee one and</p> <p>(b) in the case of a Trust Deed which has not been printed of thirty</p>

		<p>seven paise for every one hundred words or fractional part thereof required to be copied.</p> <p>(ii) The Trust Deed referred to in item (i) above also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the Register of members of the Company.</p>
Mortgage of Uncalled Capital	244	<p>If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed</p>
Register of Charges	245	<p>(a) The provisions of the Act relating to registration of charges shall be complied with.</p> <p>(b) In case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 125 of the Act shall also be complied with.</p> <p>(c) Where a charge is created in India but comprises property' outside India, the instrument, creating or purporting to create the charge under Section 125 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 125 of the Act</p> <p>(d) Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered, any person acquiring such property or any 'part thereof or any share or Interest therein shall be deemed to have notice of the charge as from the date of such registration.</p> <p>(e) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 127 of the Act shall be complied with.</p> <p>(f) The Company shall comply with the provisions of Section 128 of the Act relating to particulars in case of series of debentures entitling holders pari passu.</p> <p>(g) The Company shall comply with the provision of Section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made directly or indirectly, in connection with the debentures.</p> <p>(h) The provisions of Section 133 of the Act as to endorsement of Certificate of registration on debenture or Certificate of debenture stock shall be complying with by the Company.</p> <p>(i) The Company shall comply with the provisions of Section 134 of the Act as regards; registration of particulars of every charge and of every series of debentures.</p> <p>(j) As to modification of charges, the Company shall comply with the provisions of Section 135 of the Act.</p>

		<p>(k) The Company shall comply with the provisions of Section 136 of the Act regarding keeping a copy of instrument creating charge at the registered office of the Company and comply with the provisions of Section 137 of the Act in regard to entering in this register of Charges any appointment of Receiver or Manager !;ii' as therein provided.</p> <p>(l) The Company shall also comply with the provisions of Section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.</p> <p>(m) The Company shall keep at its registered office a Register of Charges and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the Company giving in each case.</p> <p>(i) a short description of the property</p> <p>(ii) the amount of the charge; and</p> <p>(iii) Except in the case of securities to bearer, the names of persons entitled to the charge.</p> <p>(n) Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 144 of the Act.</p>
Trust not Recognised	246	No notice of any trust, express or implied or constructive, shall be entered on the register of Debenture holders.

MANAGING DIRECTOR/WHOLE TIME DIRECTOR

Title of Article	Article Number	Contents
Appointment Of Managing Directors Otherwise/Whole Time Director	247	<p>a) The Board may from time to time with such sanction of the Central Government as may be required by law, appoint one or more of their body to the office of the Managing Director or Managing directors or whole time Director (s).</p> <p>b) The Director may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.</p> <p>c) In the event of any vacancy arising in the office of a Managing Directors or Whole time Directors, if the Directors resolve to increase the number of Managing Directors or Whole time Directors, the vacancy shall be filled by the Board of Director and the Managing Director or the Whole time Director so appointed shall hold the office for such period as the Board of Directors may fix.</p> <p>d) If a Managing Director or Whole time Director ceases to hold the office as a Director he shall ipso facto and immediately ceases to</p>

		<p>be a Managing Director / Whole time Director.</p> <p>(a) Subject to the provisions of Sections 267,268,269,309,310 311, 316, 317 and other applicable provisions, if any, of the Act and these Articles the Board of Directors may from time to time appoint one or more Director or Directors to be Managing Director/s or Whole time Director/s of the Company for a fixed term not exceeding five years at a time or for such period as may be prescribed by the Act or the Central Government from time to time upon such terms and conditions as the Board thinks fit for which he or, they is or ,fire to hold such office and may from time to time remove or dismiss him or them from the office and appoint another or others in his or their place or places</p> <p>(b) Any Managing Director or whole time Director/s so appointed shall not be required to hold any qualification shares and shall not be liable to retire by rotation at any General Meeting of the Company.</p> <p>(c) Subject to the provisions of Sections 198, 269, 309, 310 and 311 of the Act and also subject to the limitations, conditions and provisions, of Schedule XIII to the Act, the appointment and payment of remuneration to the above Director/ s shall be subject to approval of the members in general meeting and of the Central Government if required,</p> <p>(d) Subject to the superintendence, control and direction of the Board the day to day management of, the Company shall be vested with the Managing Director/s or Whole-time Director/s Managing Director/s if any, with Power to the Board to distribute such day to day management functions in any manner as deemed fit by the Board subject to the provisions of the Act and these Article5.</p>
Powers and Duties of Managing Director or Whole Time Director	248	<p>Managing Director/Whole time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors as they may think fit and confer such powers for such time and to be exercised for such objects, purposes and upon such terms and conditions and with such restrictions as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. The Managing Directors/Whole time Director may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.</p>
Remuneration of Managing Director or Whole time Director	249	<p>Subject to the provisions of the Act and subject to such sanction of the Central Government as may be required for the purpose, the Managing Directors/Whole time Directors shall receive such remuneration (whether by way of salary, commission or participation in profits and partly in another) as the Company in General Meeting may from time to time determine.</p>
Reimbursement of expenses	250	<p>The Managing Director/Whole time Director shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company, They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled</p>

		to be paid by the Company any remuneration that they may pay to such part-time employees.
Business to be carried on by Managing Director or Whole time Director	251	<p>1) The Managing Director/Whole time Director shall have subject to the supervision control and discretion of the Board, the management of the whole of the business of the company and of all its affairs and shall exercise all powers and perform all duties in relation to the Management of the affairs and transaction of the Company, except such powers and such duties as are required by law or by these presents to be exercised or done by the Company in General Meeting or by the Board of the Directors and also subject to such conditions or restrictions, imposed by the Act or by these presents.</p> <p>2) Without prejudice to the generality of the foregoing and subject to the supervision and control of the Board of Directors, the business of the company shall be carried on by the Managing Director or Whole time Director and he shall have and exercise all the powers set out in Article 124 above, except, those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.</p> <p>3) The Board may, from time to time, delegate to the Managing Director or Whole time Director such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time revoke, withdraw, alter or vary all or any of the powers conferred on the Managing Director or Whole time Director by Board or by these presents.</p>

COMMON SEAL

Title of Article	Article Number	Contents
Common Seal	252	The Board shall provide a common seal for the Company and they shall have power from time to time to destroy the same substitute a new seal in lieu thereof, and the common seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.
Seal How Affixed	253	The seal shall not be affixed to any instrument except by authority of a resolution of the Board or of Committee and unless the Board otherwise determine every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company be signed by one Director at least in whose presence the seal shall have been affixed and countersigned by the Managing Director, Secretary or such other person as may from time to time be authorised by the Managing Director or by the Board provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same.

DIVIDENDS

Title of Article	Article Number	Contents
Right to Dividend	254	The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents, as to the Reserve Fund shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively on the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividends is paid.
Declaration of Dividends	255	The Company in Annual General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
Interim Dividends	256	The Board may from time to time pay to the members such interim dividend as appear to them to be justified by the profit of the Company.
Dividends to be Paid out of the profits	257	No dividend shall be payable out of the profits of the year or any other undistributed profits or out of capital reserves except as provided by Section 205 of the Act.
Reserve Funds	258	<p>1) The Board may before recommending any dividend set aside out of the profits of the Company such sums as it thinks 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 provisions 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 investment (other than shares of the Company) as the Board may, from time to time, think fit</p> <p>2) The Board may also carry forward any profits when it may think prudent not to divide, without setting them aside as reserve.</p>
Deduction for Arrears	259	Board may deduct from any dividend payable to any members all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
Debts May be Deducted	260	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
Adjustment of Dividends	261	Any General Meeting declaring a dividend or bonus may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may if so arranged between the company and the members be set off against the call.

Payment by cheque or warrant	262	<p>1) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post direct to the registered address of the holder or in the case of joint holders to the registered address of the 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 the joint holders may direct.</p> <p>2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> <p>3) Every such cheque or warrant shall be posted within forty-two days from the date of the declaration of the dividends.</p>
Receipt of the joint holders	263	Any one or two or more joint holders of a share may give effectual receipt for any dividends, bonuses or other moneys payable in respect of such shares
Notice of dividends	264	Notice of any dividend that may have been declared shall be given to the person entitled to the shares thereto in the manner mentioned in the Act.
Dividends not to bear interest	265	No dividend shall bear interest against the Company
Unpaid Dividend or Dividend Warrant Posted & Transfer of Unpaid dividend to special account	266	<p>(a) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or claimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any Scheduled Bank, to be called "Indo Thai Securities Limited-Unpaid Dividend Account.</p> <p>(b) The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 205C of the Act.</p> <p>(c) The Board shall forfeit unclaimed or unpaid dividend before the claim, becomes bared by law.</p>
Capital Paid-Up In advance of calls and Interest not to earn Dividend	267	Any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer right to dividend or to participate in profits.
Dividends in Proportion to Amount Paid-Up	268	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 in terms providing that it shall rank for dividends as from a particular date such share shall rank or dividend accordingly.

Right to Dividend, Right Shares and Bonus Shares to be held in Abeyance Pending Registration of Transfer of Shares	269	<p>Where any instrument of transfer of shares has been delivered to any company for registration and the transfer of such shares has not been registered by the Company, it shall, notwithstanding anything contained in any other provision of this Act, shall</p> <p>(a) Transfer the dividend. in relation to such shares to the special account referred to in Section 205-A unless the company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and</p> <p>(b) Keep in abeyance in relations to such shares any offer of rights shares under (c) clause (a) of sub-section (1) of Section 81 and any issue of fully paid-up bonus shares in pursuance of sub-section (3) of Section 205.</p>
No Member to receive Dividend whilst Indebted to the Company and the Company's Right of Reimbursement Thereof	270	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.
Effect of Transfer of Shares	271	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.
Dividends How Remitted	272	The dividend payable in cash may be paid by cheque or warrant sent through post direct to the registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders which is first named on the register of members or to such person and to such address as the holder or the joint holder may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay-slip or receipt lost in transmission or for any dividend lost, to the member or person entitled thereto by forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means

CAITALISATION OF PROFITS

Title of Article	Article Number	Contents
Capitilisation of profits	273	<p>1)The Company in general meeting may on recommendation of the Board resolve;</p> <p>a) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve s including capital reserves or to the credit of the profit and loss accounts or otherwise available for distribution; and</p> <p>b) That such sum be accordingly set free for distribution in the manner specified in the sub clause (2) amongst the members who</p>

		<p>would have been entitled thereto if distribution by the way of dividend and in the same proportion.</p> <p>2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions containing in sub clause</p> <p>(3) Either in or towards.</p> <p>i) Paying up any amounts for the time being unpaid on shares held by such members respectively.</p> <p>ii) Paying up in full-unissued shares of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion as aforesaid; or</p> <p>iii) Partly in the way specified in sub clause (1) and partly in that specified in sub clause (ii).</p> <p>3) A share premium account and a capital redemption reserve fund may, for the purpose of this regulation only, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.</p> <p>4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>
Powers to directors of Declaration of Bonus	274	<p>A) 1. Whenever such a resolution as aforesaid shall have been passed the Board shall</p> <p>a) make all appropriation and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid up shares, if any, and</p> <p>b) Generally do all the acts and things required to give effect thereto.</p> <p>2. The Board shall have full power;</p> <p>a) To make such provision, by the issue of fractional certificates or by payments in case or other wise as it thinks fit, in the case of shares or debentures becoming distributable in fraction and also.</p> <p>b) To authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment of by the Company on their behalf by the application thereto of their respective proportion of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the shares.</p> <p>3. Any agreement made under such authority shall be effective and binding on all such members.</p>

		<p>B) 1. The Company in General Meeting may on recommendation of the Board resolve;</p> <p>a) to declare dividend out of its capital reserves; or</p> <p>b) to issue Bonus shares out of 'its Capital Reserves: or</p> <p>c) To pay up any amounts out of its Reserves for the time being unpaid on shares held by members.</p>
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ACCOUNTS

Title of Article	Article Number	Contents
Books of Accounts to be kept	275	<p>1) The Board of Directors shall cause true accounts to be kept of all sums of money received and expended by the company and the matters in respect of which such receipts and expenditures take place, of all sales and purchases of the goods by the Company, and of the assets, credits and liabilities of the Company</p> <p>2) If the Company shall have the Branch office, whether in or outside India proper books of account relating to the transactions effected at that office shall be kept at that office, and proper summarised returns, made upto date at intervals of not more than three months shall be sent by the Branch Office to the Company at its Registered office or to such other place in India, as the Board thinks fit, where the main books of the Company are kept.</p> <p>3) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be, with respect to the matters aforesaid and explain its transaction.</p>
Where the Books of accounts are to be kept	276	The books of accounts shall be kept at the Registered office or at such other place in India, as Directors think fit
Inspection by members	277	The Board of Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be kept open for inspection of the members and no member (not being a director) shall have any right of inspecting any account or books or documents of the company except as conferred by statute or authorised by the Directors or by a resolution of the Company in general meeting.
Statement Of Accounts To Be Furnished To The General Meetings	278	The Board of Directors shall by before each Annual General Meeting Profit and Loss account for the financial year of the company and a Balance Sheet made up as at the end of the Financial year which shall be a date and which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.

Form of balance Sheet and Profit and Loss account	279	<p>1) Subject to the provisions of section 211 of the Act every balance sheet and profit and loss account of the company shall be in the forms set out in part I & II respectively of schedule VI of the Act or as near as thereto as the circumstances admit.</p> <p>2) So long as the Company is holding Company having a subsidiary, the Company shall conform to section 212 and other applicable provisions of the Act.</p>
Authentication of Balance Sheet and Profit and Loss account	280	<p>1) Every Balance Sheet and every Profit and loss account of the Company shall be signed on behalf of the Board by Secretary, if any and by not less than two Directors of the Company one of whom shall be the Managing director where there is one.</p> <p>Provided that where only one Director is for the time being in India the Balance sheet and the Profit and Loss account shall be signed by such director and in such a case there shall be attached to the Balance Sheet and Profit and loss Account a statement signed by him explaining the reason of non compliance of sub clause (1).</p> <p>2) The Balance Sheet and the Profit and Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.</p>
Profit and loss Account to be annexed and Auditor's report to be attached to the Balance Sheet	281	The profit and Loss Account shall be annexed to the Balance Sheet and the Auditor's report shall be attached thereto.
Board's report to be attached to the Balance Sheet	282	<p>1) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a report by the Board of Directors with respect to the state of the Company's affairs, the amounts, If any, which it proposes to carry to any Reserves in such Balance Sheet, and the amount, if any, which it recommends to be paid by way of dividend, material charges and commitments if any affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.</p> <p>2) The report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the company's business carried on by them and generally in the classes of business in which the Company has an interest.</p> <p>3) The Board's report shall also include a statement showing the name of every employee of the Company who if employed through out the financial year was in receipt of remuneration for that year which in the aggregate was not less than the amount as may be prescribed or if employed for part of the financial year was in receipt of remuneration for any part of that year at a rate which in the aggregate was not less than amount as may be prescribed per</p>

		<p>month. The statement shall also indicate whether any such employee is relative of any Directors or Manager of the company and if so the names of such directors and such other particulars prescribed.</p> <p>4) The Board shall also give the fullest information and explanation in its report in case falling under the provision of section 222 in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditor's report.</p> <p>5) The Board's report and addendum (if any) thereto shall be signed by the Chairman if he is authorised in that behalf by the Board; and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the company by virtue of sub clauses (1) & (2) of Article 164.</p> <p>6) The Board shall have the right to charge any person being a Director with the duty of seeing that the provisions of sub clauses (1) to (3) of this Article are complied with.</p>
Rights of Members to copies of Balance Sheet and Auditor's report	283	<p>A copy of every balance sheet including the profit and loss account and, the auditor's report and every other document required by law to be annexed or attached, as the case may be, to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before' the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as may be permitted by Section 219 of. the Act and as the Company may deem fit, will be sent to every member of the company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the date of the meeting as laid down in Section 219 of the Act Provided that it shall not be necessary to send copies of the documents aforesaid to</p> <p>(a) to a member or holder of the debentures of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the company is unaware</p> <p>(b) To more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.</p>

AUDIT

Title of Article	Article Number	Contents
Accounts to be audited	284	Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned.
Appointment and Removal of	285	Auditor/Auditors shall be appointed and their rights and duties regulated in accordance with section 224 & 231 of the Act.

Auditor/Auditors		
	286	The first Auditor or the Auditors of the Company shall be appointed by the Board within one month of the date of the registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.
	287	The Company may at a General Meeting remove any such Auditor or all or such Auditors appointed by the Board under the Article No. 288, and appoint in his or their place any other person or persons who have been nominated for the appointment by any member of the Company not less than before fourteen days before the date of the meeting.
	288	<p>1) If the Board fails to exercise power under Article no. 286 above, the Company in general meeting may appoint the First Auditor or the Auditors.</p> <p>2) Every Auditor/Auditors, subject to the above Article, shall be appointed by the shareholders/members in the Annual General Meeting, who shall hold the office till the conclusion of the next Annual General Meeting. When any appointment of such Auditor or Auditors is made by the Company at any General meeting a written certified shall be obtained by the company from the Auditor or Auditors proposed to be so appointed to the effect that appointment or appointments if made will be in accordance with the limits specified in the sub-section 1 -B of the section 224. Every Auditor so appointed shall within 30 days of the receipt from the Company of the intimation of his appointment shall inform the Registrar of the Companies in writing that he has accepted or refused to accept the appointment.</p> <p>3) Subject to the provisions of section 224 1 -B and section 224-A at any Annual General Meeting, a retiring Auditor, by whatsoever authority appointed, shall be reappointment unless;</p> <p>a) he is not qualified for reappointment;</p> <p>b) he has given the Company a notice in writing of his unwillingness to be re-appointed;</p> <p>c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re appointed or</p> <p>d) Where notice has been given of an intended resolution to appoint some other person in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be the resolution cannot be proceeded with.</p> <p>4) Where at an Annual General Meeting, no Auditors are appointed; the Central Government may appoint a person to fill the vacancy.</p> <p>5) The company shall within seven days of the Central Government's power under sub -clause (4) becoming exercisable,</p>

		<p>give notice of that fact to the Government.</p> <p>6) The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors (if any) may act, where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.</p> <p>7) A person, other than the retiring auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a member of the Company not less than fourteen days before the meeting in accordance with the provisions of the section 190 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to members in accordance with the provisions of section 190 and all the other provisions of section 225 of the Act shall apply in the matter. The provisions of this sub clause shall apply to a resolution that a retiring Auditor shall not be re appointed.</p> <p>8) The persons qualified for appointment, as Auditors shall be only those referred to in section 226 of the Act.</p> <p>9) None of the persons mentioned in section 226 of the Act as are not qualified for appointment, as Auditors shall be appointed as the Auditors of the Company.</p> <p>10) The company or its Board of Directors shall not appoint or re appoint any person or firm as its Auditors if such person is at the date of such appointment or reappointment holds appointment as Auditors of the specified number of Companies or more than the specified number of Companies provided that in the case the firm of auditors specified number of Companies shall be construed as specified number of Companies per partner of the firm provided further that where any partner of the firm is also a partner of any other firm of auditors the number of Companies which may be taken into account by all the firms together in relation to such partner shall not exceed the specified number in the aggregate. Provided also that where any partner of a firm of auditors is also holding office in his individual capacity as auditor of one or more companies the number of companies which may be taken into account in his case shall not exceed the specified number in the aggregate. Specified number means in the case of a person or firm holding appointment as auditor of a number of companies each of which has a paid up share capital of less than Rs. 25 lacs 20 companies and in any other case 20 companies out of which not more than ten shall be companies each of which has a paid up share capital of Rs. 25 lacs or more.</p>
Audit of branch office	289	The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch office of the Company.
Remuneration of the Auditors	290	The remuneration of the Auditors shall be fixed by the company in General Meeting except that the remuneration of any Auditor appointed to fill any casual vacancy may be fixed by the Board.

Auditors to have access to the Books of the Company	291	<p>1) Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of his duties as Auditor.</p> <p>2) All notices of, and other communications relating to any General Meeting of the Company is entitled to have sent to him shall also be forwarded to the Auditor and the Auditor shall be entitled to attend any General meeting which he attends on any part of the business which concerns him as the Auditor.</p> <p>3) The Auditor shall make a report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account and on every other document declared by this Act to be part of or annexed to the Balance Sheet or Profit and Loss Account which are laid before the company in General Meeting during his tenure of office, and the report shall state whether in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view.</p> <p>i) In the case of the Balance Sheet of the state of the company 's affairs as at the end of its financial year; and</p> <p>ii) In the case of the Profit and loss account of the profit or loss for its financial year.</p> <p>4) The Auditor's report shall also state:</p> <p>a) Whether he has obtained all the information and the explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;</p> <p>b) Whether in his opinion, proper books of accounts as required by Law have been kept by the company so far as appears from his examination of those books, and proper returns adequate for the purpose of his audit have been received from branch not visited by him;</p> <p>c) Whether the report on the accounts on any branch office audited under section 228 by a person other than the Company's Auditor has been forwarded to him as required by clause (c) of sub section (3) of section 228 of the Act and how he has dealt with the same in preparing Auditor's report; and</p> <p>d) Whether the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts and returns</p> <p>5) Whether any of the matters referred to in the item (i) & (ii) of sub clause (3) above or in terms (a), (b), (c) and (d) of sub clause (4)</p>

		<p>above is answered in the negative or with a qualification, the Auditor's report shall state reasons for the answer.</p> <p>6) The Accounts of the Company shall not be deemed as not having been properly drawn up on the ground merely that the Company has not disclosed certain matters if,</p> <p>a) Those matters are such as the Company shall is, not required to disclose by virtue of any provisions contained in the Companies Act or any other Act; and</p> <p>b) Those provisions are specified in the Balance Sheet and Profit and Loss account of the company.</p> <p>7) The Auditors report shall be read before the company in General meeting and shall be open to inspection by any member of the Company.</p>
Accounts when audited and approved to be conclusive except as to errors discovered within three months	292	Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein, within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected and shall henceforth be conclusive.

SERVICE OF DOCUMENT AND NOTICE

Title of Article	Article Number	Contents
Service of Documents on the Company	293	A document may be served on the company or an officer thereof by sending it to the Company or officer at the Registered office of the Company by post under a certificate of posting or by registered post, or by leaving it at its registered office.
How documents is to be served on the members	294	<p>1) A document (which expression for the purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgment or any other documents in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, 'if any, within India supplied by him to the Company for the giving of notice to him.</p> <p>2) Notice shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register and notice so given shall be sufficient notice to all the holders of such share.</p> <p>3) Where a document is sent by the post.</p> <p>a) Service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter sent to him under a certificate of posting or by registered post without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall</p>

		<p>not be deemed to be effected unless it is sent in the manner intimated by the member; and</p> <p>b) unless the contrary is proved, such services shall be deemed to have been effected;</p> <p>i) in case of notice of a meeting, at the expiration of forty eight hours the letter containing the notice is posted; and</p> <p>ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.</p>
Members to notify address in India	295	Each registered holder of shares shall from time to time notify in writing to the company some place in India to be registered as his address and such registered place of address shall for all purposes to be deemed his place for residence.
Service on Documents having no registered address	296	If a member has not registered an address in India, and has not-supplied to the Company an address within India, for the giving of notice to him, a document advertised in a newspaper circulating in the neighborhood of Registered Office of the Company shall be deemed to be duly reserved on him on the day on which the advertisement appears.
Service on persons acquiring shares on death or insolvency of members	297	A document may be served by the Company on the persons entitled to a share in the consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased or assignees of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.
Persons Entitled to Notice of General Meeting	298	<p>Subject to the provisions of the Act and these Articles, Notice of General Meeting shall be given:</p> <p>i) To the members of the company as provided by the Articles in any manner authorised by the Articles 212 and 213 as the case may be or as authorised by the Act.</p> <p>ii) To the persons entitled to a share in consequences of the death or insolvency of a member as provided by Article 207 or as authorised by the Act.</p> <p>iii) to the Auditor or Auditors from the time being of the company in the manner authorised by the Article 213 as in the case of any member or members of the Company.</p>
Notice by advertisement	299	Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district in which the registered office is situated.

Members bound by the Documents given to the Previous holders	300	<p>Every person, who by the operation of law, transfer or other means whatsoever shall become entitled to any shares shall be bound by every document in respect of such share which, previously to his name and address being entered on the Register, shall have been duly served on or sent to the person from whom he derived his title to such shares.</p> <p>Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer a Director may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.</p>
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AUTHENTICATION OF DOCUMENTS

Title of Article	Article Number	Contents
Authentication of documents and proceedings	301	Save as otherwise expressly provided in the Act or these articles, a document or proceeding requiring authentication by the Company, may be signed by a Director, the Managing Director, the manager, the Secretary or an authorised officer of the Company and need not be under its seal.
Inspection of Registers	302	The Registers maintained by the Company and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken, there from and copies thereof may be required by any member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company. Copies of entries in the Registers shall be furnished to the persons entitled to the same on payment of such sum as board may determine. The Company shall give inspection of the above Registers to the persons entitled to the same on such days and during such business hours as may consistently with the provisions of the Act in that behalf be determined by the Company in General Meeting.

WINDING UP

Title of Article	Article Number	Contents
Application & Distribution of Assets	303	Subject to the provisions of the act as to preferential payments the assets of the Company shall on its winding up be applied in satisfaction of its liabilities paripassu and, subject to such application shall be distributed among the members according to their rights and interests in the Company.
	304	(a)Subject to the provisions of the Act, if the Company shall be wound up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of

		<p>the paid up capital such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up the Excess shall be distributed amongst the members in proportion to the Capital at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.</p> <p>(b) But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.</p>
Distribution in specie or kind	305	<p>Subject to the provisions of the Act:</p> <p>(a) if the Company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution and any other sanction required by the Act, divide amongst the contributories, in specie or kind' the whole or any part of the assets of the Company, and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.</p> <p>(b) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined or any contributory who would be prejudiced thereby shall' have the right; if any to dissent and ancillary rights as if such determination were a special ,resolution passed pursuant to Section 494 of the Act</p> <p>(c) In case any shares to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the Liquidators shall, if practicable act accordingly.</p>

Rights of shareholders in case of sale	306	A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.
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INDEMNITY AND RESPONSIBILITY

Title of Article	Article Number	Contents
Directors and others right to indemnity	307	<p>a) Subject to the provisions of section 201 of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability, and it shall be the duty of the Directors out of the funds of the company to pay, all costs and losses and expenses (including travelling expenses) which any such Director, officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, officer, or employee or in any way in discharge of his duties.</p> <p>b) Subject as aforesaid the Managing Director and every Director or other officer of the company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgment is given in their or his favour or in connection with any application under section 633 of the Act in which relief is given to him by the Court.</p>

Not responsible for acts of others	308	<p>1) Subject to the provisions of the section 201 of the Act no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in may receipt or other act for conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency or any securities in or upon which any of the moneys of the Company shall be invested, or for any loss or damages arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effect shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation, thereto, unless the same happen through his own willful act or default.</p> <p>2) Without prejudice to the generality of foregoing it is hereby expressly declared that any filling fee payable of any document required to be filed with the Registrar of the Companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office, shall be paid and born by the Company.</p>
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SECRECY CLAUSE

Title of Article	Article Number	Contents
Secrecy Clause	309	No member or other person (not being a Director) shall be entitled to inspect, examine the Company's premises or properties without the permission of the Director, or Managing Director or to require discovery of any information respecting any details of the Company's trading or any matter which is or may be in the nature of the trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate to the public.
Duties of officers to observe secrecy	310	Every Director, Managing Director, Manager Secretary, Auditor, Trustee, Members of a Committee, Officer, Servant, Agent, Accountant, or other persons employed in the business of the Company, shall if so required by the Directors before entering upon his duties, or at any time during his term of place sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of Accounts and in matters relating thereto, and shall be such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or any meeting or by a Court of Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these Articles of law.

Option or right to call shares	311	The option or right to call of shares shall not be given to any person except with the sanction of the company in general meeting.
Issue of Debenture Bonds	312	<p>Debentures/Bonds with the right to allotment or conversion into shares shall not be issued without the sanction of the Company in general meeting and/or the Government as the case may be.</p> <p>Fee for issue of new share certificates the Company agrees not to charge any fees exceeding those, which may be agreed upon with the Stock Exchange:</p> <p>a) for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed.</p> <p>b) for sub division and consolidation of shares and debenture certificates and for sub division of letters of allotment, split, consolidation, renewal, or pakka receipt into denominations other than those fixed for market units of trading.</p>
Social objective	313	The Company shall have among its objectives the promotion and growth of the economy through increased volume, effective utilization of 'M' resources and continued application of modern scientific and managerial in keeping with the national aspirations and the Company shall be mindful of and moral responsibilities to the consumers, employees, shareholders, society local community.

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 (2) years before the date of filing of the 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 have been attached to the copy of the Draft Red Herring Prospectus will be 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 10.00 a.m and 4.00 p.m, on any working day from date of filing the Draft Red Herring Prospectus Draft Red Herring Prospectus until the Bid/Issue Closing Date.

MATERIAL CONTRACTS

1. Memorandum of Understanding dated 16th December, 2010 entered between our Company and Corporate Strategic Allianz Limited appointing them as Book Running Lead Manager to the issue.
2. Memorandum of Understanding dated 11th January, 2011 entered between our Company and Sharepro Services (India) Private Limited appointing them as Registrar to this Issue.
3. Tripartite agreement between our Company, NSDL and Registrar to this issue dated [●], 2011.
4. Tripartite agreement between our Company, CDSL and Registrar to this issue dated [●], 2011.
5. Escrow Agreement [●] between our Company, BRLM, Syndicate Members, Escrow Collecting Banks and the Registrar to the Issue.
6. Syndicate Agreement dated [●] between our Company, BRLM and Syndicate Members of the Company.
7. Underwriting Agreement dated [●] between our Company, BRLM and the Syndicate Member.

MATERIAL DOCUMENTS

1. The Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation and Certificate of Commencement of Business of the Company.
3. Board Resolution passed by the Board of Directors of our Company on 23rd July, 2010 and Special Resolution passed by the shareholders at the Annual General Meeting on 20th August, 2010 of the Company pursuant to Section 81(1A) and other applicable Provisions of the Companies Act, 1956.
4. Copy of Resolution of members of our Company passed at Extra Ordinary General Meeting held on 30th April, 2007 appointing Mr. Dhanpal Doshi as Managing Director.
5. Copy of Board Resolution dated 28th August, 2010 constituting various Committees of the Board.
6. Resolution passed by the Board of Directors dated 27th April, 2011, [●] and [●] approving the Draft Red Herring prospectus, Red Herring prospectus and Prospectus respectively.
7. Copy of Resolution of members of our Company passed at Extra Ordinary General Meeting held on 15th January, 2011 appointing M/s. S Ramanand Aiyar & Co., Chartered Accountants as Statutory Auditors of our Company.

8. Statement of Tax Benefits dated 11th March, 2011 issued by M/s. S Ramanand Aiyar & Co., Chartered Accountants, Statutory Auditors of our Company.
9. Copy of Restated Audit Report by M/s. S Ramanand Aiyar & Co., Chartered Accountants, Statutory Auditors of our Company dated 11th March, 2011 referred in the Draft Red Herring Prospectus and their consent to include the same in the DRHP.
10. Statutory Auditors Certificate dated 11th March, 2011 regarding sources and deployment of funds incurred and their consent to include the same in the DRHP.
11. Copy of Audited Balance sheets and Profit and Loss Accounts of our Company for the period ended December 31st, 2011 and financial years ended March 31st 2010, 2009, 2008, 2007 and 2006.
12. Consents in writing from our Directors, Company Secretary and Compliance Officer, Statutory Auditors, Bankers to our Company, Bankers to the Issue & Refund Banker*, Book Running Lead Manager, Syndicate Member(s)*, Underwriter(s)*, IPO Grading Agency*, Registrar to the Issue, Legal Advisor to the Issue to act in their respective capacities.

** The aforesaid will be appointed prior to filing the Red Herring Prospectus with the RoC, and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with the RoC.*
13. Due Diligence Certificate dated 25th April, 2011 to SEBI from Corporate Strategic Allianz Limited the Book Running Lead Manager.
14. IPO grading report dated [●], 2011
15. Initial listing applications dated [●], 2011 filed with BSE and NSE.
16. In- Principle listing approvals from BSE and NSE dated [●] and [●] respectively.
17. SEBI Observation letter no [●] dated [●], 2011.

Any of the contracts or documents mentioned in the 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 the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of our Company, hereby declare that, all the relevant provisions of the Companies Act, 1956, SEBI (ICDR) Regulations, 2009 and the guidelines issued by the Government of India as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules or guidelines issued there under, as the case may be. We further certify that all the disclosures and statements made in the Draft Red Herring Prospectus are true and correct.

Signed by the Directors, Accounts & Finance Head, Company Secretary & Compliance Officer:

Mr. Parasmal Doshi

Chairman, Whole-time Director and CEO

Mr. Dhanpal Doshi

Managing Director

Mr. Rajendra Bandi

Whole-Time Director

Mr. Omprakash Gauba

Independent Director

Mr. Sunil Soni

Independent Director

Mr. Sanjay Parmar

Independent Director

Mr. Hemant Agrawal

Accounts & Finance Head

Mr. Anurag Kumar Saxena

Company Secretary & Compliance Officer

Place: Indore

Date: 27.04.2011

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